

CHAPTER 5

2008-2014 HOUSING ELEMENT



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CHAPTER 5

HOUSING ELEMENT

Accommodating the housing needs of the State of California is an important goal for the City of Costa Mesa, regional agencies and State agencies. As the population of the State continues to grow and pressure on resources increase, Costa Mesa is concerned with providing adequate housing opportunities while maintaining a high standard of living for all citizens in the community.

Recognizing the importance of providing adequate housing, the State has mandated a Housing Element within every General Plan since 1969. The City of Costa Mesa adopted its first Housing Element in April 1971 and has continued to work towards the needs of the State, region and community. Changes in market conditions and state legislation resulted in amendments to the City's Housing Element in 1974, 1978, 1980, 1988, 1992, and 2000. This Housing Element (2008-2014) complies with State General Plan law pertaining to Housing Elements.

5.1 PURPOSE

The State of California has declared that "the availability of housing is of vital statewide importance and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order." In addition, government and the private sector should make an effort to provide a diversity of housing opportunities and accommodate regional housing needs through a cooperative effort, while maintaining a responsibility toward economic, environmental and fiscal factors and community goals within the general plan.

Further, State Housing Element law requires "An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs." The law requires:

- ◆ An analysis of population and employment trends.
- ◆ An analysis of the City's fair share of the regional housing needs.
- ◆ An analysis of household characteristics.
- ◆ An inventory of suitable land for residential development.
- ◆ An analysis of governmental and non-governmental constraints on the improvement, maintenance and development of housing.

- ◆ An analysis of special housing needs.
- ◆ An analysis of opportunities for energy conservation.
- ◆ An analysis of publicly-assisted housing developments that may convert to non-assisted housing developments.

The purpose of these requirements is to develop an understanding of the existing and projected housing needs within the community and to set forth policies and programs that promote preservation, improvement and development of diverse types and costs of housing throughout Costa Mesa.

ORGANIZATION

Costa Mesa's Housing Element is organized into three primary sections:

- ◆ Summary of Existing Conditions: This section includes a housing needs assessment, an inventory of resources and a section discussing constraints, efforts and opportunities.
- ◆ Housing Issues/Trends: This section includes a discussion of State issues and policies, regional housing policies, and Costa Mesa's housing issues and strategies.
- ◆ Housing Program: This section identifies housing goals, policies and objectives. Funding sources are identified and schedules for implementation are set forth. In addition, quantified objectives are provided.

5.2 RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS

State Law requires that "...the general plan and elements and parts thereof comprise an integrated, internally consistent, and compatible statement of policies..." The purpose of requiring internal consistency is to avoid policy conflict and provide a clear policy guide for the future maintenance, improvement and development of housing within the City.

This Housing Element is part of the Costa Mesa General Plan. All elements of the Costa Mesa General Plan have been reviewed for consistency and completed in coordination with the Housing Element.

5.3 CITIZEN PARTICIPATION

The City of Costa Mesa has made diligent efforts to solicit public participation pertaining to the formulation of this Housing Element update. Public participation for the 2008-2014 Housing Element included the following components:

COMMUNITY WORKSHOPS

A community workshop was conducted on June 18, 2007 to solicit input from residents and housing and service providers regarding housing needs in the community. In addition to a public notice in the newspaper, special invitation was sent to service and housing providers, as well as community groups active in the City. The workshop was attended by more than 20 residents and representatives from nonprofit organizations.

Additional workshops were conducted for neighborhood and homeowners associations throughout the City. A total of five workshops were conducted, including the following:

- ◆ June 18, 2007 – Community workshop at Neighborhood Community Center
- ◆ July 24, 2007 – Mika Community Development Corporation
- ◆ October 3, 2007 – Mesa Verde, Inc. Home Owners Association
- ◆ April 7, 2008 – Planning Commission hosted a Community workshop/open house at Costa Mesa City Hall
- ◆ May 12, 2008 – Community workshop/open house at Costa Mesa City Hall

HOUSING NEEDS SURVEY

A Housing Needs Survey (in English and Spanish) was distributed at public locations, at community and neighborhood meetings, as well as on the City's website to solicit input from residents and interested parties. A total of 35 responses were received. Most respondents cited high costs of housing, mismatch between housing supply and needs, deteriorating housing stock, and lack of neighborhood amenities as key housing issues in the City. Appendix A provides copies of the survey responses.

INTERVIEW OF SERVICE PROVIDERS

In addition to sending direct invitations to service providers, a number of service providers that do not usually participate in City events were contacted directly for comments on housing needs of their clients. Agencies responding to the telephone interviews included the following:

- ◆ Alzheimer's Family Services Center
- ◆ Costa Mesa Housing Coalition
- ◆ Disabilities Ministries
- ◆ Fairview Developmental Center
- ◆ Project Independence
- ◆ Mental Health Association
- ◆ Orange Coast Interfaith Shelter
- ◆ Salvation Army Family Services

- ◆ SPIN (Serving People in Need)

These agencies commented on the general need for affordable housing for lower income households. Housing for persons with disabilities is also needed, preferably in normal residential settings rather than in group home situations. Several agencies also commented on the need for shelter programs in the region. Appendix B provides a summary of the responses from agencies interviewed.

PUBLIC MEETINGS

Public meetings on the Housing Element update were conducted before the following forums:

- ◆ Redevelopment and Residential Rehabilitation (3-R) Committee – September 25, 2007
- ◆ City Council/Planning Commission Joint Study Session – February 12, 2008
- ◆ Planning Commission – June/July 2008
- ◆ City Council – July/August 2008

All public meetings are advertised in the *Daily Pilot* and the City's website. Special notifications were also sent to those on the City's list of interested parties, including nonprofit service providers, community stakeholders, developers, and participants to prior Housing Element events.

OPEN HOUSES

The City provided two open houses on the Housing Element – on April 7 and May 12, 2008. Staff and City consultant were available at these open houses to answer questions from the public.

PUBLIC REVIEW OF DOCUMENTS

Throughout the process of updating the Housing Element, the City posted relevant documents, including presentation materials, a survey in English and Spanish, and draft documents on the website for easy download and review by residents and interested parties.

A public review draft was prepared and made available to the community for a 60-day period from February 1 to April 1, 2008. The public review draft was sent to the State Department of Housing and Community Development (HCD), Orange County Housing Authority (OCHA), non-profit organizations, and various service providers. The public review draft included comments received from City Staff and Planning Commission Study Sessions.

Public comments received on Draft Housing Element are summarized in Appendix D. As appropriate, the Housing Element has been revised to address the comments. Specifically, the 2008-2014 Housing Element includes programs to further housing rehabilitation and neighborhood improvement efforts and to facilitate the development of a variety of housing types to better match the community's housing needs.

Specifically, the City has set aside resources to preserve affordable housing at risk of converting to market-rate housing. Incentives are available to facilitate the

development of affordable housing. Alternative housing options such as Single-Room Occupancy (SRO) and Family Residence Occupancy (FRO) are expanded. The City has also established a priority to work with the Fairview Developmental Center to pursue affordable housing development. Programs are also included to remove governmental constraints with regard to the review of affordable housing developments.

However, the City recognizes the limited resources available compared to the extent of housing needs. Objectives established in the Housing Element are based on the realistic financial resources available to the City.

5.4 REVIEW OF PREVIOUS HOUSING ELEMENT

State law requires the City of Costa Mesa to review its Housing Element in order to evaluate:

- 1) The appropriateness of the housing goals, objectives and policies in contributing to the attainment of the state housing goal.
- 2) The effectiveness of the Housing Element in attainment of the community's housing goals and objectives.
- 3) The progress of the city, county, or city and county in implementation of the Housing Element.

The previous Housing Element originally covered the period of July 1, 2000 through June 30, 2005. State legislation subsequently extended the timeframe of this Housing Element to June 30, 2008 in order to align the Housing Element update with the Regional Transportation Planning process. A summary of the City's achievements under the previous Housing Element is presented in this section. Table HOU-1 presents a program-by-program review of the previous Housing Element, containing a discussion on the effectiveness and continued appropriateness of each program.

**TABLE HOU-1
HOUSING PROGRAM OVERVIEW**

| Housing Program Action | Objectives | Achievements |
|---|--|---|
| Goal: Preservation and Enhancement | | |
| Zoning Enforcement | ♦ Improve quality and deterioration of existing residential neighborhoods. | <p>Effectiveness: On-going enforcement through Code Enforcement Division and contract Housing Safety Enforcement through the Housing and Community Development Division, in order to preserve existing neighborhoods.</p> <p>Continued Appropriateness: This is considered a routine function of the City and not a specific housing program. This program is removed from the 2008-2014 Housing Element.</p> |
| Development Review | ♦ Protect residential uses from intrusive incompatible or potentially disruptive land uses and/or activities | <p>Effectiveness: On-going through the Planning Division, in order to protect residential uses from incompatibility.</p> <p>Continued Appropriateness: This is considered a routine function of the City and not a specific housing program. This program is removed from the 2008-2014 Housing Element.</p> |

**TABLE HOU-1
HOUSING PROGRAM OVERVIEW**

| Housing Program Action | Objectives | Achievements |
|---------------------------------------|---|---|
| Public Nuisance Abatement | <ul style="list-style-type: none"> ◆ Protect existing residential uses from disruptive, incompatible, or illegal uses and/or buildings. | <p>Effectiveness: On-going through various divisions and departments.</p> <p>Continued Appropriateness: This is considered a routine function of the City and not a specific housing program. This program is removed from the 2008-2014 Housing Element.</p> |
| Housing Rehabilitation | <ul style="list-style-type: none"> ◆ Maintain and preserve housing stock and improve energy efficiency of qualified homes. ◆ Rehabilitate 88 ownership units and 30 rental units. ◆ Provide Neighborhood improvement grants to 280 households. | <p>Effectiveness: On-going assistance through the Housing and Community Development Division for both rental and owner-occupied units. Also the Housing and Community Development Division provides HOME fund assistance with the purchase and rehabilitation of rental units by non-profit organizations to operate as affordable to Low and Very-low income tenants. Between 2000 and 2007, 102 units received single-family loans and 97 received neighborhood improvement grants. In addition, the City is working with a senior housing project to provide energy efficiency improvements.</p> <p>The City also uses CDBG funds to support the Neighbors for Neighbors program, which organizes volunteers to help clean up neighborhoods and perform minor repairs for needy families. Between 2000 and 2007, 84 households had been assisted through the Neighbors for Neighbors program.</p> <p>Continued Appropriateness: This program is critical in preserving and enhancing the condition of existing housing in the City and is included in the 2008-2014 Housing Element.</p> |
| Mobile Home Park Preservation | <ul style="list-style-type: none"> ◆ Maintain and preserve the mobile home housing stock. ◆ Provide 29 mobile home rehabilitation loans and grants to income-qualified households. | <p>Effectiveness: Financial assistance is on-going. Between 2000 and 2007, the program provided 97 loans and grants to assist in the rehabilitation of mobile homes.</p> <p>The zoning code continues to require a mobile home park conversion permit to convert a mobile home park to another land use. Relocation assistance in compliance with State law is required. Between 2000 and 2007, two mobile home parks were converted to a medical office use.</p> <p>Continued Appropriateness: This program is critical in preserving and enhancing the condition of existing housing in the City and is included in the 2008-2014 Housing Element.</p> |
| Goal: Preserving Affordability | | |
| Incentive for Affordable Housing | <ul style="list-style-type: none"> ◆ Increase affordable housing inventory by 32 units. | <p>Effectiveness: Between 2000 and 2007, no development utilized the density bonus provisions.</p> <p>Continued Appropriateness: The City will continue to facilitate the development of affordable housing through incentives. This program is included in the 2008-2014 Housing Element.</p> |

**TABLE HOU-1
HOUSING PROGRAM OVERVIEW**

| Housing Program Action | Objectives | Achievements |
|--|--|---|
| Manufactured Housing | <ul style="list-style-type: none"> ♦ Reduce housing cost and construction time through the use of manufactured housing and development review streamlining. | <p>Effectiveness: Pursuant to State law, the City continues to facilitate the development of manufactured housing through streamlined processing.</p> <p>Continued Appropriateness: This is considered a routine function of the City and not a specific housing program. This program is removed from the 2008-2014 Housing Element.</p> |
| Granny Flats | <ul style="list-style-type: none"> ♦ Allow greater utilization of residential land to increase the supply of housing, especially for seniors. ♦ Provide five new granny flats each year. | <p>Effectiveness: Between 2000 and 2007, nine granny flats were constructed.</p> <p>Continued Appropriateness: The City will continue to promote second units as an alternative affordable housing option for seniors and lower income individuals. This program is included in the 2008-2014 Housing Element.</p> |
| Federal/State Housing Programs | <ul style="list-style-type: none"> ♦ Encourage private sector to utilize available State and Federal housing programs to increase the supply of affordable housing. | <p>Effectiveness: A total of 29 very low income units and nine low income units were constructed between 2000 and 2007 using a variety of local, State, and Federal funding resources.</p> <p>Continued Appropriateness: This program is included in the 2008-2014 Housing Element with an emphasis on the City's role in pursuing State and Federal funding.</p> |
| Housing Assistance | <ul style="list-style-type: none"> ♦ Provide rental assistance to 478 households annually through the Section 8 program. | <p>Effectiveness: On-going Section 8 rental assistance through the Orange County Housing Authority (OCHA). As of July 2007, 463 very low income households in Costa Mesa were receiving rental assistance.</p> <p>Continued Appropriateness: This program is included in the 2008-2014 Housing Element with an emphasis on the City's role in providing referral and assisting OCHA in the marketing of this program.</p> |
| Shared Housing | <ul style="list-style-type: none"> ♦ Match individuals for shared housing arrangements to reduce cost for housing. ♦ Achieve 120 matches per year. | <p>Effectiveness: Due to limited interest in the Shared Housing program, this program has been discontinued in Orange County.</p> <p>Continued Appropriateness: This program is removed from the 2008-2014 Housing Element.</p> |
| Goal: Provision of Adequate Sites | | |
| Zoning Ordinance Review | <ul style="list-style-type: none"> ♦ Ensure code amendments to development standards and/or processing requirements do not adversely impact housing costs. | <p>Effectiveness: The City has adopted a streamlined development review process. Periodically the City reviewed the Zoning Code for impacts on housing costs. Major reviews of residential development standards and review procedures occurred in July 2001 and February 2006 to further expedite the process.</p> <p>Continued Appropriateness: This program is included in the 2008-2014 Housing Element to address specific issues identified as constraints to housing development and preservation.</p> |
| Opportunities for First-Time Homebuyers | <ul style="list-style-type: none"> ♦ Increase homeownership opportunities for prospective first-time buyers through mitigation of land costs and/or other financial | <p>Effectiveness: Between 2000 and 2007, the City provided loans to 43 first-time homebuyers with household incomes that were considered low or moderate to assist these households achieve homeownership.</p> |

**TABLE HOU-1
HOUSING PROGRAM OVERVIEW**

| Housing Program Action | Objectives | Achievements |
|----------------------------------|---|---|
| | assistance. | <p>In addition, in August 2006, the City adopted the Mesa West Residential Ownership Urban Plan, which promotes ownership housing by adding an overlay zone for high-density residences in areas that are currently zoned R-2 Medium Density (12 units per acre), R-2 High Density (14.5 units per acre), and R-3 (20 units per acre) to allow R-3 High Density (20 units per acre).</p> <p>Continued Appropriateness: The City recognizes the importance of homeownership opportunities for its workforce. This program is included in the 2008-2014 Housing Element.</p> |
| Land Acquisition | <ul style="list-style-type: none"> ◆ Acquire a site in order to construct additional lower and moderate income housing. ◆ Identify ten vacant or opportunity sites for new development or major rehabilitation. | <p>Effectiveness: Between 2000 and 2007, Habitat for Humanity developed a surplus lot on Del Mar Avenue with three single-family units, for a total five units that have been constructed on City-owned surplus properties. Habitat for Humanity has also completed construction of six attached single-family units on Pomona Avenue. The City provided financial assistance in the land acquisition.</p> <p>Continued Appropriateness: This program is included in the 2008-2014 Housing Element.</p> |
| Mixed Use Development | <ul style="list-style-type: none"> ◆ Promote the integration of employment and housing opportunities in mixed-use developments. | <p>Effectiveness: In August 2006, the City adopted three Urban Plans: Mesa West Bluffs; 19 West; and South Bristol Entertainment and Cultural Arts. The Mesa West Bluffs Urban Plan promotes live/work units and increased residential development. The 19 West Urban Plan promotes mixed commercial/residential developments. The South Bristol Entertainment and Cultural Arts Urban Plan promotes live/work units and mixed-use developments.</p> <p>A Mixed Use Overlay District was established in conjunction with the Urban Plan documents. This district, working with the various Urban Plans, will allow mixed-use developments and potentially add 4,226 units by 2025.</p> <p>Continued Appropriateness: The 2008-2014 Housing Element includes a program to implement these Urban Plans.</p> |
| Housing Supply Impact Assessment | <ul style="list-style-type: none"> ◆ Determine potential impact of major employment-generating developments on local housing market prior to approval of proposed development. | <p>Effectiveness: As part of staff's evaluation of a proposed development, impacts on local population and housing market are assessed.</p> <p>Continued Appropriateness: This is considered a routine practice of the City's development review process and not a specific housing program. This program is removed from the 2008-2014 Housing Element.</p> |
| Rezone Review | <ul style="list-style-type: none"> ◆ Determine the impact of rezoning requests on the City's existing and future housing supply. | <p>Effectiveness: The State legislature passed SB 2292 (Dutra) in 2002, requiring a local jurisdiction to make findings that certain actions would not impact the jurisdiction's ability to provide adequate sites to accommodate its remaining RHNA. Such actions</p> |

**TABLE HOU-1
HOUSING PROGRAM OVERVIEW**

| Housing Program Action | Objectives | Achievements |
|--|---|---|
| | | <p>include:</p> <ul style="list-style-type: none"> ◆ Rezoning a site from residential to nonresidential use; ◆ Downzoning a residential site from a higher to a lower density; and ◆ Approving a residential development at a lower density than used in the Housing Element to satisfy the RHNA adequate sites requirement. <p>Compliance of SB 2292 is incorporated into the City's planning application procedures.</p> <p>Continued Appropriateness: This is considered a routine practice of the City's planning application review process and not a specific housing program. This program is removed from the 2008-2014 Housing Element.</p> |
| Development Phasing and Performance Monitoring Program | <ul style="list-style-type: none"> ◆ Maintain balance of employment growth and housing production. | <p>Effectiveness: The City continued to prepare a development activity report as a means to monitor the levels of employment growth and housing production in the City.</p> <p>Continued Appropriateness: This is considered a routine function of the City's planning and development review process and not a specific housing program. This program is removed from the 2008-2014 Housing Element.</p> |
| CDBG Funding for Homeless Shelter | <ul style="list-style-type: none"> ◆ Provide homeless shelter support and expansion through existing service agencies. | <p>Effectiveness: The City continued to provide Community Development Block Grants (CDBG) to homeless shelters and supportive services through the annual funding process. Between 2000 and 2007, 6,114 persons were assisted with homeless prevention, supportive, and shelter services. Specifically:</p> <ul style="list-style-type: none"> ◆ 4,162 at-risk persons were assisted with homeless prevention services; ◆ 1,409 persons were provided emergency shelter assistance; ◆ 951 persons were provided transitional housing accommodation; and ◆ 94 persons were assisted to attain permanent housing. <p>Continued Appropriateness: The City recognizes the importance of homeless prevention and assistance. This program is included in the 2008-2014 Housing Element as an overall program to address the supportive housing needs for persons with special needs, including the homeless.</p> |
| Adequate Sites | <ul style="list-style-type: none"> ◆ Provide information on available vacant land. | <p>Effectiveness: In 2002, the City updated its residential sites inventory as part of the General Plan update. That inventory is available as a Technical Appendix to the 2000 General Plan. The City continued to assist interested developers in identifying vacant and opportunity sites.</p> |

**TABLE HOU-1
HOUSING PROGRAM OVERVIEW**

| Housing Program Action | Objectives | Achievements |
|--|--|---|
| | | <p>Continued Appropriateness: This program is included in the 2008-2014 Housing Element as part of the overall program addressing adequate sites requirements.</p> |
| Single-Room Occupancy (SRO) Hotels | <ul style="list-style-type: none"> ◆ Facilitate the development of additional SRO hotels by allowing such development in commercial areas. ◆ Convert existing motels or construct new SRO hotels to house the working poor, homeless, seniors, students, and others in need of basic, safe housing. ◆ Facilitate the development of 80 SRO units. | <p>Effectiveness: The City adopted the SRO policy in 1991 to encourage the development of SRO units. Since adoption of the policy, three projects have been completed and occupied, providing a total of 247 units, including 91 senior units.</p> <p>Continued Appropriateness: This program is included in the 2008-2014 Housing Element with an emphasis on promoting SRO as an alternative decent and affordable housing.</p> |
| Goal: Housing Opportunity and Accessibility | | |
| Fair Housing Assistance | <ul style="list-style-type: none"> ◆ Provide specialized housing services to residents to ensure equal access to available housing opportunities. | <p>Effectiveness: The City continued to contract with the Fair Housing Council of Orange County (FHCOC) to provide fair housing and tenant/landlord dispute resolution services.</p> <p>Continued Appropriateness: This program is included in the 2008-2014 Housing Element with an emphasis on advertising the availability of services.</p> |
| Incentives for Specialized Housing Needs | <ul style="list-style-type: none"> ◆ Increase and monitor the supply of housing for seniors and disabled persons. | <p>Effectiveness: Between 2000 and 2007, 91 senior SRO units were constructed as the Newport Senior Village SRO. A portion of these units are handicapped accessible. The original project of 71 units was completed in 2004. An expansion of 20 additional units was completed in 2006.</p> <p>Continued Appropriateness: This program is included in the 2008-2014 Housing Element with specific incentives identified.</p> |
| Condominium Conversion | <ul style="list-style-type: none"> ◆ Maintain supply of rental units. | <p>Effectiveness: Between 2000 and 2007, 29 applications for condominium conversion were approved, resulting in a loss of 239 rental units. The City administered its Condominium Conversion Ordinance to ensure relocation assistance and adequate notification are provided.</p> <p>Continued Appropriateness: This program is considered a routine procedure and not a specific housing program. This program is removed from the 2008-2014 Housing Element.</p> |
| Mobile Home Park Conversion Ordinance | <ul style="list-style-type: none"> ◆ Preserve existing residentially zoned mobile home parks and ensure that existing mobile home park tenants are not adversely impacted by conversion of parks to other uses. | <p>Effectiveness: Between 2000 and 2007, two mobile home parks were converted to other uses. The City implemented the Mobile Home Park Conversion Ordinance to ensure tenants receive adequate relocation assistance.</p> <p>Continued Appropriateness: This program is considered a routine procedure and not a specific housing program. This program is removed from the 2008-2014 Housing Element.</p> |

**TABLE HOU-1
HOUSING PROGRAM OVERVIEW**

| Housing Program Action | Objectives | Achievements |
|---------------------------------|---|--|
| Preservation of At-Risk Housing | ♦ Preserve the existing affordable housing stock in the City, including Casa Bella (75 units), St. John Manor (36 units), and two density bonus units on Charle Street. | <p>Effectiveness: The City completed an agreement with a developer to acquire and preserve a 36-unit affordable rental housing project for very low income seniors in eastside Costa Mesa (St. John's Manor), extending the affordability of these units for an additional 55 years.</p> <p>Continued Appropriateness: This program is included in the 2008-2014 Housing Element, addressing the preservation of the remaining affordable housing in the City.</p> |

SUMMARY OF PROGRESS

Progress toward RHNA

Pursuant to State law, each jurisdiction in California is responsible for a share of the region's housing growth needs. The process of determining that "fair share" is called Regional Housing Needs Assessment (RHNA). For the 2000-2005 Housing Element cycle, the City of Costa Mesa was assigned a RHNA of 1,268 units, divided into four income categories:

- Very Low Income (0-50 percent Area Median Income): 265 units
- Low Income (51-80 percent Area Median Income): 180 units
- Moderate Income (80-120 percent Area Median Income): 279 units
- Above Moderate Income (>120 percent Area Median Income): 544 units

Because the RHNA was developed with baseline data from 1998, housing units constructed since January 1, 1998 can be credited toward this RHNA. Table HOU-2 summarizes the City's accomplishments in meeting the RHNA. Specifically, the City provided funding to Habitat for Humanity to develop nine affordable homes for low income households. Nine granny flats also offered affordable housing opportunities for seniors in the City.

**TABLE HOU-2
PROGRESS TOWARD RHNA: 1998-2005**

| Income Group | RHNA | Units Constructed | % Completed |
|-----------------------|--------------|-------------------|--------------|
| Very Low Income | 265 | 0 | 0.0% |
| Low Income | 180 | 18 | 10.0% |
| Moderate Income | 279 | 0 | 0.0% |
| Above Moderate Income | 544 | 384 | 70.6% |
| TOTAL | 1,268 | 402 | 31.7% |

Progress toward Quantified Objectives

The City recognized it had limited resources to address the varied affordable housing needs in the community. As part of the 2000-2005 Housing Element, the City established a set of quantified objectives for housing construction, rehabilitation, and preservation. These objectives are presented in Table HOU-3,

along with the City's accomplishments. Details of accomplishments are described in Table HOU-1. Overall, the City achieved approximately 57 percent of its quantified objectives.

TABLE HOU-3
PROGRESS TOWARD QUANTIFIED OBJECTIVES: 1998-2005

| Income Group | New Construction | | Rehabilitation | | Preservation | | Total | |
|----------------|------------------|------------|----------------|------------|--------------|-----------|-------------|------------|
| | Objectives | Achieved | Objectives | Achieved | Objectives | Achieved | Objectives | Achieved |
| Very Low | 35 | 0 | 97 | 97 | 113 | 36 | 245 | 133 |
| Low | 68 | 18 | 121 | 102 | 0 | 0 | 189 | 120 |
| Moderate | 331 | 0 | 20 | 0 | 0 | 0 | 351 | 20 |
| Above-Moderate | 375 | 384 | 0 | 0 | 0 | 0 | 375 | 384 |
| Total | 809 | 402 | 238 | 199 | 113 | 36 | 1160 | 657 |

5.5 SUMMARY OF EXISTING CONDITIONS

The purpose of this section is to summarize and analyze the existing housing conditions in Costa Mesa. The section consists of two major sections: Housing Needs Assessment - an analysis of population trends, employment trends, household trends and special needs; and Inventory of Resources - an analysis of existing housing characteristics, housing conditions, vacancy trends, housing costs and availability, coastal zone housing, neighborhood and community resources, "at-risk housing" and suitable lands for future development.

HOUSING NEEDS ASSESSMENT

When evaluating housing needs in a community, demographic variables, such as population, employment, and households must be examined to assess the present and future housing needs. This section utilizes various data sources, including:

- ◆ 1970-2000 U.S. Census reports;
- ◆ 2005 American Community Survey (ACS)¹;
- ◆ State Department of Finance Population and Housing Estimates;
- ◆ State Employment Development Department Labor Market Statistics; and
- ◆ Southern California Association of Governments (SCAG) Population, Household, and Employment projects.

Specific sources of data are noted in the tables, figures, and associated texts.

¹ The American Community Survey (ACS) by the Bureau of the Census surveyed only a small sample of the population and therefore tends to contain large margins of errors. As such, data from the ACS throughout this report are presented only as percentages to show magnitude and prevalence. Furthermore, certain data that are too detailed may have inherent margins of errors that are too large to be accurate. In such cases, ACS data, although available, are not presented in this Housing Element.

POPULATION TRENDS

Orange County or the Orange County Primary Metropolitan Statistical Area (PMSA) is part of the Los Angeles Consolidated Metropolitan Statistical Area (CMSA) that also consists of the Los Angeles-Long Beach PMSA, Riverside-San Bernardino PMSA and Ventura County PMSA. As of 2007, the Los Angeles CMSA has a population of 18,493,019, of which, Los Angeles County represents 56.3 percent.² Los Angeles County's proportion of the larger CMSA has consistently decreased over the 1980 to 2007 period. For example, Los Angeles County accounted for 65.0 percent of the CMSA in 1980. As Los Angeles County's proportion of the CMSA population decreased, other counties have increased their share of the population (Table HOU-4).

Movement of the population from the central Los Angeles County to adjacent counties resulted in proportionate booms initially in the coastal counties and more recently in the inland counties. In 1980, Orange County's population was 1,932,921 and increased by nearly 25.0 percent to 2,410,556 in 1990. Between 1990 and 2000, the population of Orange County further increased by 18.1 percent to 2,846,289. Since 2000, it is estimated that the population has been increasing annually at an average of 1.2 percent. The largest gains in population are being recorded in the inland counties: Riverside and San Bernardino. However, proportionate increases have slowed for all counties over the last seven years. The Orange County PMSA remains the second largest PMSA in the Los Angeles CMSA.

**TABLE HOU-4
REGIONAL POPULATION TRENDS**

| County | 1980 | 1990 | 2000 | 2005 | 2007 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Los Angeles | 7,477,238 | 8,863,164 | 9,519,338 | 9,758,886 | 10,331,939 |
| Orange | 1,932,921 | 2,410,556 | 2,846,289 | 2,944,537 | 3,098,121 |
| Riverside | 663,199 | 1,170,413 | 1,545,387 | 1,911,281 | 2,031,625 |
| San Bernardino | 895,016 | 1,418,380 | 1,709,434 | 1,916,665 | 2,028,013 |
| Ventura | 529,174 | 669,016 | 753,197 | 782,759 | 825,512 |
| TOTAL | 11,499,528 | 14,533,519 | 16,377,645 | 17,314,128 | 18,315,210 |
| Sources: | | | | | |
| 1. U.S. Bureau of the Census, 1960-2000 Census. | | | | | |
| 2. U.S. Bureau of the Census, 2005 American Community Survey. | | | | | |
| 3. State Department of Finance, Population and Housing Estimates, May 1, 2007. | | | | | |

The City of Costa Mesa is surrounded by five cities: Fountain Valley, Huntington Beach, Irvine, Newport Beach and Santa Ana. Costa Mesa and its surrounding cities play a significant role in meeting the housing needs of Orange County and the greater Los Angeles Consolidated Metropolitan Statistical Area (CMSA). These cities contained 31.8 percent of the Orange County population in 2000 and 32.7 percent of the County population in 2007.

Between 1980 and 2007, Santa Ana and Irvine experienced the largest numerical and proportionate gains for the six-city area, but Costa Mesa also experienced a fair amount of population gains. In 2007, Costa Mesa has a total population of 113,805 persons (Table HOU-5).

² State Department of Finance, Population and Housing Estimates (E-5a), May 1, 2007.

**TABLE HOU-5
POPULATION TRENDS – COSTA MESA AND SURROUNDING CITIES (1980-2007)**

| City | 1980 | 1990 | 2000 | 2007 | Change (1980-2007) | |
|--|------------------|------------------|------------------|------------------|--------------------|--------------|
| | | | | | Number | Percent |
| Costa Mesa | 82,562 | 96,357 | 108,724 | 113,805 | 31,243 | 37.8% |
| Fountain Valley | 55,080 | 53,691 | 54,978 | 57,741 | 2,661 | 4.8% |
| Huntington Beach | 170,505 | 181,519 | 189,594 | 202,250 | 31,745 | 18.6% |
| Irvine | 62,134 | 110,330 | 143,072 | 202,079 | 139,945 | 225.2% |
| Newport Beach | 62,556 | 66,643 | 70,032 | 84,218 | 21,662 | 34.6% |
| Santa Ana | 203,713 | 293,742 | 337,977 | 353,428 | 149,715 | 73.5% |
| Six-City Total | 638,530 | 804,272 | 904,377 | 1,013,521 | 376,971 | 59.2% |
| TOTAL COUNTY | 1,932,921 | 2,410,556 | 2,846,289 | 3,098,121 | 1,165,200 | 60.3% |
| Sources: | | | | | | |
| 1. Bureau of the Census, 1980 - 2000 Census. | | | | | | |
| 2. State Department of Finance, Population and Housing Estimates, May 1, 2007. | | | | | | |

Much like the rest of Orange County, Costa Mesa had a population boom in the 1960s with average annual growth around ten percent. Between 1970 and 2000, population growth became moderate and steady with rates around one percent. In 2007, it is estimated that the population increased to 113,805 persons since the 2000 estimate (Table HOU-6).

**TABLE HOU-6
CITY OF COSTA MESA POPULATION TRENDS (1960 to 2007)**

| Year | Total Population | Numeric Change | Percent Change | Annual Percent Change |
|--|------------------|----------------|----------------|-----------------------|
| 1960 | 37,550 | --- | --- | --- |
| 1970 | 72,660 | 35,110 | 93.5% | 9.4% |
| 1980 | 82,562 | 9,902 | 13.6% | 1.4% |
| 1990 | 96,357 | 13,795 | 16.7% | 1.7% |
| 2000 | 108,724 | 12,367 | 12.8% | 1.3% |
| 2007 | 113,805 | 5,081 | 4.7% | 0.7% |
| Sources: | | | | |
| 1. Bureau of the Census, 1960 - 2000 Census. | | | | |
| 2. State Department of Finance, Population and Housing Estimates, May 1, 2007. | | | | |

AGE CHARACTERISTICS

According to the 2005 American Community Survey, which is the most current data available, 36.7 percent of the population in the City of Costa Mesa is between the ages of 25-44 (Table HOU-7). The 55-64 age group experienced the largest proportionate growth between 2000 and 2005, suggesting that in the coming years, there may be an increased demand for senior housing. The proportion of small children (under the age of five) increased while the proportion of older children (between the ages of five and 14) decreased over the five-year period. With the exception of the 85 and older age group, the population of persons age 55 and above increased.

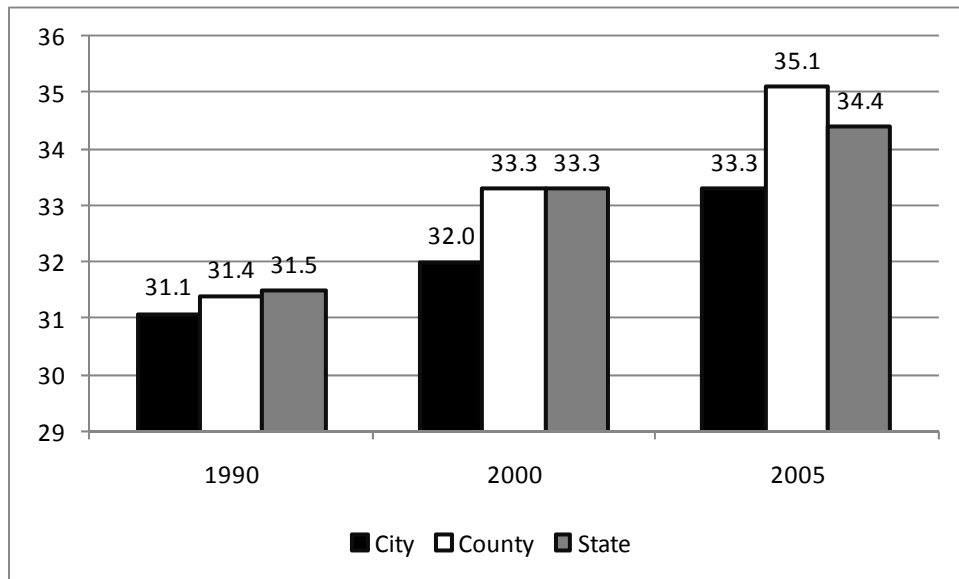
Since 1990, City, County and State median age figures closely paralleled each other with no more of a difference than 1.5 years. In 1990, the State median age

was 31.5 years, while the City and County median ages were 31.1 years and 31.4 years, respectively. In Costa Mesa, the 2000 median age was estimated to be 32.0 years, and by 2005 it had risen to 33.3 years. Like the median ages of the County and the State, the median age of Costa Mesa residents will likely continue to increase over this Housing Element period.

**TABLE HOU-7
POPULATION BY AGE GROUPS (2000 - 2005)**

| Age Group | 2000 | | 2005 |
|--|------------|---------|------------|
| | Number | Percent | Percent |
| Less Than 5 Years | 7,719 | 7.1% | 7.7% |
| 5-14 Years | 14,134 | 13.0% | 11.9% |
| 15-19 Years | 6,415 | 5.9% | 5.4% |
| 20-24 Years | 9,242 | 8.5% | 9.3% |
| 25-34 Years | 23,376 | 21.5% | 19.7% |
| 35-44 Years | 19,027 | 17.5% | 17.0% |
| 45-54 Years | 12,503 | 11.5% | 11.5% |
| 55-64 Years | 7,067 | 6.5% | 8.8% |
| 65-74 Years | 5,001 | 4.6% | 4.9% |
| 75-84 Years | 3,153 | 2.9% | 3.2% |
| Greater Than 85 Years | 1,087 | 1.0% | 0.6% |
| TOTAL | 108,724 | 100.0% | 100.0% |
| Median Age | 32.0 Years | | 33.3 Years |
| Sources: 1. Bureau of the Census, 2000 Census 2. Bureau of the Census, 2005 American Community Survey. | | | |

**CHART HOU-1
MEDIAN AGE COMPARISONS (1990-2005)**



Sources:

1. Bureau of the Census, 1990 and 2000 Census.
2. Bureau of the Census, 2005 American Community Survey.

RACE AND ETHNICITY

According to the 2000 Census, the Costa Mesa population was comprised of White (56.3 percent), Hispanic or Latino (32.3), Asian (7.5 percent), Black or African-American (1.4 percent), American Indian and Alaska Native (0.7 percent), or other races (1.7 percent). The City's racial/ethnic composition has changed slightly since 2000, reflecting a statewide trend. By 2005, the proportion of Hispanic residents had increased to over 36 percent, with corresponding declines in other racial/ethnic groups.

**TABLE HOU-8
RACE AND ETHNICITY (2000 - 2005)**

| Race/Ethnicity | 2000 | | 2005 |
|------------------------------|----------------|---------------|---------------|
| | Number | Percent | Percent |
| Non-Hispanic White | 63,958 | 56.3% | 54.0% |
| Non-Hispanic Black | 1,636 | 1.4% | 1.2% |
| Non-Hispanic Native American | 823 | 0.7% | 0.4% |
| Non-Hispanic Asian | 8,527 | 7.5% | 6.1% |
| Non-Hispanic Other | 1,983 | 1.7% | 1.9% |
| Hispanic (of any race) | 36,702 | 32.3% | 36.4% |
| TOTAL | 113,629 | 100.0% | 100.0% |

Sources:

1. Bureau of the Census, 2000 Census.
2. Bureau of the Census, 2005 American Community Survey.

EMPLOYMENT TRENDS

Employment by Industry

According to the California Employment Development Department (EDD), the Orange County labor force consisted of 1,409,817 persons in 2000 and was estimated at 1,639,200 persons as of March 2007 (Table HOU-9). This represents an annual average increase of 2.0 percent or 229,383 jobs over seven years. Educational, Health, and Social Services are the largest industry in the County, followed by manufacturing and professional services. The three industries combined for 43.3 percent of the County labor force.

Table HOU-10 presents the average salary by industry in 2007 for Orange County. The average worker salary in 2007 was \$42,457. Jobs in wholesale trade and finance, insurance, and real estate had the highest wages, while manufacturing had the lowest average annual salary.

**TABLE HOU-9
ORANGE COUNTY EMPLOYMENT BY INDUSTRY (2000-2007)**

| Type of Industries | 2000 | | 2007 | |
|---|------------------|---------------|------------------|---------------|
| | Number | Percent | Number | Percent |
| Agriculture, forestry, fishing and hunting, and mining | 4,872 | 0.4% | 3,815 | 0.2% |
| Construction | 81,822 | 6.1% | 143,480 | 8.8% |
| Manufacturing | 227,495 | 17.0% | 222,650 | 13.6% |
| Wholesale trade | 67,541 | 5.0% | 79,986 | 4.9% |
| Retail trade | 150,462 | 11.2% | 160,111 | 9.8% |
| Transportation and warehousing, and utilities | 48,103 | 3.6% | 53,853 | 3.3% |
| Information | 38,339 | 2.9% | 26,846 | 1.6% |
| Finance, insurance, real estate, and rental and leasing | 117,351 | 8.8% | 201,928 | 12.3% |
| Professional, scientific, management, administrative, and waste management services | 168,930 | 12.6% | 211,197 | 12.9% |
| Educational, health and social services | 216,017 | 16.1% | 275,419 | 16.8% |
| Arts, entertainment, recreation, accommodation and food services | 111,469 | 8.3% | 137,510 | 8.4% |
| Other services (except public administration) | 67,009 | 5.0% | 79,763 | 4.9% |
| Public Administration | 39,428 | 2.9% | 42,643 | 2.6% |
| TOTAL | 1,409,817 | 100.0% | 1,639,201 | 100.0% |
| Sources: | | | | |
| 1. Bureau of the Census, 2000 Census, Bureau of the Census. | | | | |
| 2. California Employment Development Department, Employment by Industry Data, March 2007. | | | | |

**TABLE HOU-10
AVERAGE ANNUAL SALARY BY INDUSTRY**

| Agriculture, Forestry, Fishing, & Mining | \$20,461 |
|--|-----------------|
| Construction | \$44,118 |
| Manufacturing | \$28,831 |
| Transportation & Public Utilities | \$26,127 |
| Wholesale Trade | \$73,153 |
| Retail Trade | \$35,814 |
| Finance, Insurance & Real Estate | \$66,826 |
| Services | \$39,045 |
| Government | \$47,737 |
| TOTAL | \$42,457 |
| Source: California Employment Development Department. Based on first quarter wages in 2007 | |

In 2007, EDD estimates Costa Mesa's total employment is 66,300 persons. The figure represents an increase of 9,850 persons over seven years or 2.5 percent annually since 2000 (Table HOU-11). Comparatively, Costa Mesa and Orange County are similar in terms of employment industry proportions. Costa Mesa had a slightly higher proportion of persons employed in the services, which generally offer lower wages.

As of March 2007, Costa Mesa had an estimated unemployment rate of 3.0 percent, comparable to the countywide rate of 3.4 percent.

**TABLE HOU-11
COSTA MESA EMPLOYMENT BY INDUSTRY (2000-2007)**

| Type of Industries | 2000 | | 2007 | |
|--|---------------|---------------|---------------|---------------|
| | Number | Percent | Number | Percent |
| Agriculture, forestry, fishing and hunting, and mining | 154 | 0.3% | 121 | 0.2% |
| Construction | 3,899 | 6.9% | 7,417 | 11.2% |
| Manufacturing | 7,184 | 12.7% | 5,837 | 8.8% |
| Wholesale trade | 2,560 | 4.5% | 3,345 | 5.0% |
| Retail trade | 6,213 | 11.0% | 6,242 | 9.4% |
| Transportation and warehousing, and utilities | 1,589 | 2.8% | 2,863 | 4.3% |
| Information | 1,735 | 3.1% | 1,107 | 1.7% |
| Finance, insurance, real estate, and rental and leasing | 5,412 | 9.5% | 7,382 | 11.1% |
| Professional, scientific, management, administrative, and waste management services | 8,424 | 14.9% | 9,310 | 14.0% |
| Educational, health and social services | 8,834 | 15.6% | 9,179 | 13.8% |
| Arts, entertainment, recreation, accommodation and food services | 6,274 | 11.1% | 6,803 | 10.3% |
| Other services (except public administration) | 3,554 | 6.3% | 5,021 | 7.6% |
| Public Administration | 849 | 1.5% | 1,674 | 2.5% |
| TOTAL | 56,450 | 100.0% | 66,300 | 100.0% |
| Sources: | | | | |
| 1. Bureau of the Census, 2000 Census. | | | | |
| 2. State Employment Development Department, Employment by Industry Data, March 2007. | | | | |

Commuting Patterns

According to the 2005 American Community Survey (ACS), 30 percent of the Costa Mesa residents worked in the City, and that proportion represents an increase from 2000 when 28 percent of the workforce worked in the City (Table HOU-12). Practically all of the Costa Mesa labor force commutes within the County, and this has remained relatively unchanged since 2000.

**TABLE HOU-12
EMPLOYMENT BY COMMUTING PATTERNS (2000-2005)**

| | 2000 | 2005 |
|--|-------|-------|
| Worked in Costa Mesa | 27.9% | 30.4% |
| Worked Outside Costa Mesa | 72.1% | 69.6% |
| Worked in Orange County | 91.3% | 91.3% |
| Worked Outside Orange County | 8.7% | 8.7% |
| Sources: | | |
| 1. Bureau of the Census, 2000 Census. | | |
| 2. Bureau of the Census, 2005 American Community Survey. | | |

Major Employers

Over 30 employers in the City have more than 250 employees. A handful have more than 1,000 employees (Table HOU-13). Automobile Club of Southern California and Fairview Developmental Center have consistently been the largest employers in the City. More recently, however, Ditech.com became a major employer in the City. According to the 2006 Costa Mesa Community Economic Profile, 555 acres of land in Costa Mesa are developed for commercial and industrial purposes.

**TABLE HOU-13
MAJOR EMPLOYERS**

| | |
|---|-------|
| Automobile Club of Southern California | 5,000 |
| Fairview Developmental Center | 1,800 |
| Ditech.com | 1,200 |
| Experian Information Solutions | 1,200 |
| First Team Real Estate | 1,200 |
| Source: City of Costa Mesa, Costa Mesa 2006 Community Economic Profile. | |

Conclusions

Employment in Costa Mesa has been steadily increasing over the last eight years, which in turn can generate demand for housing. Additionally, many acres of land are being developed for commercial and industrial purposes leading to an even greater number of jobs in the City. As employers in the City offer a variety of wage types, the City should continue to accommodate a wide range of housing types that match the wages, such as single room occupancy (SRO) units, apartments, attached single-family and detached single-family homes.

HOUSEHOLD TRENDS

A household is defined as all persons occupying a housing unit. Families are a subset of households, and include all persons living together who are related by blood, marriage, or adoption. Single households include persons living alone in housing units, but do not include persons in group quarters such as convalescent homes or dormitories. Other households are unrelated people living together, such as roommates.

In 1960, 121,973 households resided in the City of Costa Mesa and that number nearly doubled by 1970 (Table HOU-14). Between 1950 and 1970, the City added 20,312 households, while increasing its land area through annexations from 3.5 square miles to 14.7 square miles. The City continued to experience large increases in the number of households through the 1970s but its growth had slowed over the past 30 years as the City became increasingly built-out. As of 2007, there were 39,769 households within 16 square miles in the City.

**TABLE HOU-14
HOUSEHOLD TRENDS (1960 - 2007)**

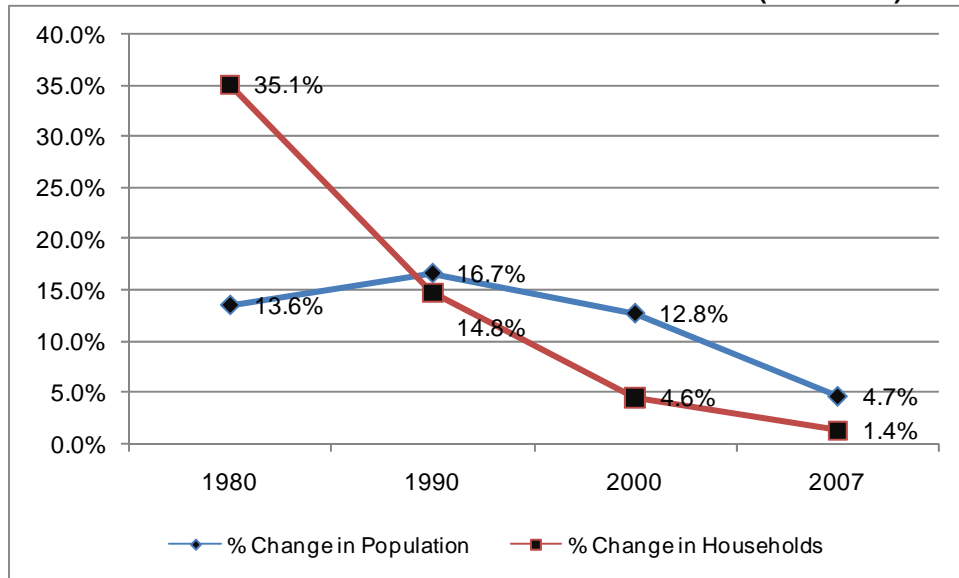
| | Households | Numeric Change | Percent Change | Annual Percent Change |
|--|------------|----------------|----------------|-----------------------|
| 1960 | 12,973 | --- | --- | --- |
| 1970 | 24,152 | 11,179 | 86.2% | 8.6% |
| 1980 | 32,637 | 8,485 | 35.1% | 3.5% |
| 1990 | 37,467 | 4,830 | 14.8% | 1.5% |
| 2000 | 39,206 | 1,739 | 4.6% | 0.5% |
| 2007 | 39,769 | 563 | 1.4% | 0.2% |
| Sources: | | | | |
| 1. Bureau of the Census, 1950-2000 Census. | | | | |
| 2. State Department of Finance, Population and Housing Estimates, May 1, 2007. | | | | |

Household growth rate is the primary factor in determining housing needs. Even during periods of fairly static population growth, there may be an increase in households due to: 1) young people leaving home; 2) divorce; 3) aging of the population; and 4) other social activities that cause people to occupy a new residence. Conversely, the population may increase in fairly static household growth periods. Between 1970 and 1980, household growth far exceeded population growth, while in more recent times population has been slightly greater than household growth (Chart HOU-2). The difference between population and household growth rates has resulted in a fluctuating household size over the years.

The City of Costa Mesa has a smaller average household size than the County and the State, generally reflecting a community where young families with children and young adults represent a smaller component of the community (Chart HOU-3). However, consistent with countywide and statewide trends, average household size in Costa Mesa has been steadily rising.

In 2000, nearly 60 percent of the Costa Mesa population was in a one or two person household, compared to roughly one-half for the County (Table HOU-15). Between 1990 and 2000 large households of five or more persons recorded the largest numeric and proportionate gains, while the number of two-person households declined in the City.

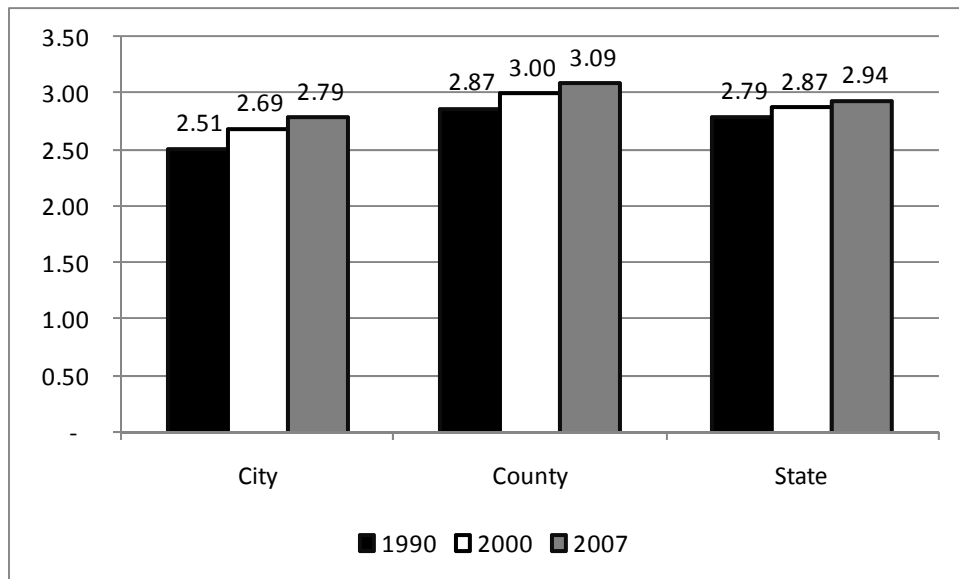
**CHART HOU-2
POPULATION GROWTH AND HOUSEHOLD GROWTH (1980-2007)**



Sources:

1. Bureau of the Census, 1980-2000 Census.
2. State Department of Finance, Population and Housing Estimates, May 1, 2007.

**CHART HOU-3
AVERAGE HOUSEHOLD SIZE (1990 to 2007)**



Sources:

1. Bureau of the Census, 1980-2000 Census.
2. State Department of Finance, Population and Housing Estimates, May 1, 2007.

**TABLE HOU-15
PERSONS PER HOUSEHOLD TRENDS
(COSTA MESA AND ORANGE COUNTY – 1990-2000)**

| | 1990 | | 2000 | | Change | |
|---|----------------|---------------|----------------|---------------|----------------|--------------|
| | Number | Percent | Number | Percent | Number | Percent |
| City of Costa Mesa | | | | | | |
| 1 person | 10,150 | 27.1% | 11,006 | 28.1% | 856 | 8.4% |
| 2 person | 13,408 | 35.8% | 12,398 | 31.6% | -1,010 | -7.5% |
| 3-4 person | 10,193 | 27.2% | 10,351 | 26.4% | 158 | 1.6% |
| 5+ person | 3,716 | 9.9% | 5,452 | 13.9% | 1,736 | 46.7% |
| TOTAL | 37,467 | 100.0% | 39,207 | 100.0% | 1,740 | 4.6% |
| Orange County | | | | | | |
| 1 person | 171,119 | 20.7% | 197,010 | 21.0% | 25,891 | 15.1% |
| 2 person | 266,598 | 32.2% | 277,708 | 29.7% | 11,110 | 4.2% |
| 3-4 person | 270,375 | 32.7% | 298,241 | 31.9% | 27,866 | 10.3% |
| 5+ person | 118,974 | 14.4% | 163,195 | 17.4% | 44,221 | 37.8% |
| TOTAL | 827,066 | 100.0% | 936,154 | 100.0% | 109,088 | 13.2% |
| Source: Bureau of the Census, 1990 and 2000 Census. | | | | | | |

Tenure

Costa Mesa has a higher proportion of renters than most communities in Orange County. Since 1980, the proportion of renter-households in the City has steadily increased. By 2005, according to the American Community Survey (ACS) by the Bureau of the Census, renter-households represented 65 percent of all households in the City. Specifically, about 20 percent of the renter-households were using single-family homes as rentals. Countywide, 38 percent of the households were renters in 2005.

**TABLE HOU-16
HOUSEHOLDS BY TENURE TRENDS (1990 - 2000)**

| Tenure Type | 1990 | | 2000 | |
|--|--------|---------|--------|---------|
| | Number | Percent | Number | Percent |
| Owners | 15,077 | 40.2% | 15,800 | 40.5% |
| Renters | 22,390 | 59.8% | 23,406 | 59.5% |
| Sources: | | | | |
| 1. Bureau of the Census, 1990 and 2000 Census. | | | | |
| 2. Bureau of the Census, 2005 American Community Survey. | | | | |

Household Income

Over the ten-year period between 1990 and 2000, household income in Costa Mesa increased dramatically. The number of households with incomes below \$50,000 decreased by over 80 percent, while all income categories above \$50,000 increased (Table HOU-17). The most dramatic increases occurred in the greater than \$100,000 income groups. The largest numeric increases occurred in the \$100,000 to \$150,000 income group between 1990 and 2000.

Conversely, the largest numeric decrease occurred in the \$25,000 to \$34,999 income group. In 2005, the ACS indicates a continuing shift to the higher income categories. The shifts in income distribution are a combined result of inflation, real change in earning power, and higher housing prices affordable only to higher income households. Overall, Costa Mesa has a lower median household income than the County.

Between 1990 and 2000, the median household income increased at 3.7 percent annually, while values of owner-occupied homes increased at 6.8 percent and median rents increased at 29.9 percent. Between 2000 and 2005, median household income increased another 10.9 percent but during the same period, housing prices increased dramatically. In 2005, the median home price in Costa Mesa was \$644,900, a 136-percent increase from 2000. Only recently have home prices begun to decline slightly as the market slowed. In summary, household incomes are not keeping pace with housing prices in Costa Mesa, much like the rest of California.

**TABLE HOU-17
HOUSEHOLD BY INCOME (1990-2000)**

| Income Groups | 1990 | | 2000 | | Change (1990-2000) | |
|------------------------|---------------|---------------|---------------|---------------|--------------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Less than \$10,000 | 2,867 | 7.7% | 2,334 | 6.0% | -533 | -18.6% |
| \$10,000 to \$14,999 | 1,752 | 4.7% | 1,727 | 4.4% | -25 | -1.4% |
| \$15,000 to \$24,999 | 5,281 | 14.1% | 3,966 | 10.1% | -1,315 | -24.9% |
| \$25,000 to \$34,999 | 6,080 | 16.2% | 4,437 | 11.3% | -1,643 | -27.0% |
| \$35,000 to \$49,999 | 7,414 | 19.8% | 6,742 | 17.2% | -672 | -9.1% |
| \$50,000 to \$74,999 | 7,928 | 21.2% | 8,834 | 22.5% | 906 | 11.4% |
| \$75,000 to \$99,999 | 3,456 | 9.2% | 4,887 | 12.5% | 1,431 | 41.4% |
| \$100,000 to \$150,000 | 2,031 | 5.4% | 4,020 | 10.3% | 1,989 | 97.9% |
| Greater than \$150,000 | 660 | 1.8% | 2,260 | 5.7% | 1,600 | 242.5% |
| TOTAL | 37,469 | 100.0% | 39,207 | 100.0% | 1,738 | 4.6% |
| Median Income | \$40,348 | | \$55,456 | | \$15,108 | 37.4% |
| County Median Income | \$45,922 | | \$58,820 | | \$12,898 | 28.1% |

Source: Bureau of the Census, 1990 and 2000 Census.

The U.S. Department of Housing and Urban Development (HUD) estimates Area Median Income (AMI) for each county in the United States. These AMI figures are used to classify households into income groups (i.e., extremely low, very low, low, moderate, and above moderate). The City's income distribution is shown in Table HOU-18. Overall, the City has a larger proportion of lower and moderate income households compared to the County.

Many housing programs, such as Community Development Block Grant (CDBG), HOME, and Low-Income Housing Tax Credit (LIHTC) Program utilize some form of the income groups to establish eligibility.

**TABLE HOU-18
HOUSEHOLDS BY INCOME GROUP (2000)**

| Income | Percent of County | Costa Mesa | | Percent of County's Households |
|---|-----------------------|-----------------------|--------------------------------|--------------------------------|
| | | Percent of Households | Estimated Number of Households | |
| Extremely Low Income | 0-30% AMI | 12.4% | 4,862 | 10.4% |
| Very Low Income | 31-50% AMI | 12.6% | 4,940 | 11.1% |
| Low Income | 51% - 80% AMI | 20.8% | 8,155 | 17.7% |
| Moderate Income | 81% - 120% AMI | 21.9% | 8,586 | 19.9% |
| Above Moderate Income | Greater Than 120% AMI | 32.3% | 12,664 | 40.9% |
| Sources: 1. Southern California Association of Governments (SCAG). 2. U.S. Department of Housing and Urban Development (HUD), 2000 Comprehensive Housing Affordability Strategy (CHAS) data based on 2000 Census data. Note: SCAG provides income distribution by the four income categories (very low, low, moderate, and above moderate), based on 2000 Census data and HUD established Area Median Income. No separate data is provided for extremely low income households. HUD CHAS data provides income distribution for extremely low, very low, low, and other income households. CHAS data is used to apportion the very low income category into extremely low and very low income groups. | | | | |

SPECIAL NEEDS

Certain segments of the community may need special consideration with regards to housing. For the purposes of the Housing Element, special needs groups are defined as: elderly, persons with disabilities, large households, single-parent households, farmworkers, and the homeless.

Elderly

Elderly persons (age 65 or older) may live in housing that costs too much or live in housing that does not accommodate their specific needs for assistance. In 1990, there were 5,032 elderly-headed households, which represented 13.4 percent of the total households in the City. Between 1990 and 2000, the number of elderly-headed households increased to 5,717 at an average of 1.5 percent annually, much faster than the rate of general household growth (0.5 percent). Elderly households represented 14.7 percent of the City's total households in 2000. The State Department of Finance projected that in 2008 there will be 6,410 elderly households in the City, constituting 16.1 percent of the total City households. As the proportion of elderly households continues to increase in Costa Mesa, the provision of housing options for elderly persons should be a priority.

In 2000, 29.4 percent of the elderly households in the City were renters, compared to 21.2 percent in Orange County. The proportion of senior renters in Costa Mesa has decreased since 1990 when 36.5 percent of elderly households were renters. Change in the proportion of senior renters is dependent on the quantity of housing options and the propensity to convert to ownership.

A majority of the elderly population (60.9 percent) was living in family households, which are defined as a householder living with one or more persons related by birth, marriage or adoption. The remainder of the elderly population was in non-family households such as roommates or elderly persons living alone (32.5 percent) or in group quarters such as nursing homes (6.5 percent). Non-family households are persons living alone or with non-relatives only.

Elderly households tend to rely on fixed and lower incomes. According to the CHAS data³, more than half of the City's elderly renter-households had extremely low and low incomes. In comparison, a majority of the City's elderly owner-households had moderate or above moderate incomes (Table HOU-19).

An important measure of housing affordability is "cost burden." Cost burden is defined as monthly housing costs in excess of 30 percent of a household's gross income, and severe cost burden is defined as housing costs exceeding 50 percent of gross household income. According to the CHAS data, Census, 59.1 percent of the elderly renter-households had a housing cost burden in Costa Mesa, compared to 31.7 percent of the elderly owner-households (Table HOU-19). Among the extremely low income group, cost burden impacted owner- and renter-households almost equally. However, for very low and low income households, cost burden was more prevalent among renters than among owners.

Three senior apartment complexes are located in the City of Costa Mesa. All are subsidized through various public programs, such as the HUD Section 202. Currently, the vacancy rate is zero percent in these properties and the turnover is low. Subsequently, waiting lists for these units are very long. The three complexes include: Bethel Towers (270 units), St. John's Manor (36 units), and Casa Bella (75 units). Some elderly residents are served through other publicly assisted properties with smaller unit sizes, such as Costa Mesa Village (96 units), Park Place Village (60 units), and Newport Senior Village (91 units for seniors only). These are single-room occupancy units (SROs).

The City also has several senior mobile home parks. These include: Island View; Orange Coast; Playport Estates; and Rolling Homes Park. These four parks total 242 units.

The City of Costa Mesa is committed to serving the needs of its elderly population and therefore supports efforts related to: age restricted mobile home parks, independent retirement living, assisted living, residential care, and skilled nursing facilities. In addition, the City also has a second unit/granny unit ordinance for the new construction of age restricted units on parcels zoned for single-family dwellings.

³ Comprehensive Housing Affordability Strategy (CHAS) data were developed by the Bureau of the Census for the U.S. Department of Housing and Urban Development (HUD) using 2000 Census data.

**TABLE HOU-19
INCOME DISTRIBUTION AND COST BURDEN FOR ELDERLY HOUSEHOLDS (2000)**

| Income | Elderly Owner-Households | | | Elderly Renter-Households | | |
|---|--------------------------|---------------|----------------------|---------------------------|---------------|----------------------|
| | Total Households | % Cost Burden | % Severe Cost Burden | Total Households | % Cost Burden | % Severe Cost Burden |
| TOTAL ELDERLY HOUSEHOLDS | 4,039 | 31.7% | 15.4% | 1,678 | 59.1% | 36.1% |
| Extremely Low (Up to 30% AMI) | 13.9% | 74.7% | 55.6% | 35.4% | 80.1% | 59.6% |
| Very Low Income (31-50% AMI) | 14.2% | 44.1% | 15.3% | 19.4% | 73.3% | 50.9% |
| Low Income (51-80% AMI) | 21.9% | 38.0% | 19.3% | 19.3% | 64.8% | 26.8% |
| Moderate/Above Moderate Income (More than 80% AMI) | 50.0% | 13.5% | 2.5% | 26.0% | 15.9% | 0.0% |
| Sources: | | | | | | |
| 1. Bureau of the Census, 2000 Census (total households by tenure). | | | | | | |
| 2. U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) Data, 2000 (income by tenure). | | | | | | |

Persons with Disabilities

Persons with disabilities usually have special housing needs, particularly in terms of affordability, accessibility, and proximity to employment, social services, and medical services. The Census defines disability as a long-lasting physical, mental, or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

In 2000, a total of 16,103 persons aged five and above in Costa Mesa had one or more disabilities, representing 16.1 percent of the population (Table HOU-20). In comparison, 16.6 percent of the County of Orange residents aged five and above were considered disabled. Among the City's disabled residents (in working age), the majority (61 percent) were employed, although many may be under-employed or not making adequate incomes to afford housing, health care, and other necessities.

**TABLE HOU-20
DISABLED PERSONS BY AGE (2000)**

| Work Disability Status | Number | Percent of Total |
|--|---------------|------------------|
| Age 5 to 20 | 1,484 | 6.8% |
| Age 21 to 65 | 11,248 | 16.3% |
| Percent Employed within Working Age | 61% | |
| Age 65 and Above | 3,371 | 37.9% |
| TOTAL | 16,103 | 16.1% |
| Source: Bureau of the Census, 2000 Census. | | |

According to the 2000 Census, more than one-third of the City's elderly residents had one or more disabilities. Specifically, 25.4 percent of elderly residents in Costa Mesa had a physical disability and 8.4 percent had a self-care disability. Additionally, 18.6 percent of elderly had a disability preventing them from going outside of their home (Table HOU-21). This proportion does not include elderly in skilled nursing or other related facilities. These elderly individuals may need

some type of assisted living or residential care facility. According to the State Department of Social Services Licensing Division, as of September 2007, more than 47 residential care facilities in the City offer a combined capacity of over 500 beds, including both ambulatory and non-ambulatory elderly persons, as well as elderly persons with dementia.

**TABLE HOU-21
ELDERLY BY DISABILITY (2000)**

| Disability | Percent |
|--|---------|
| Sensory Disability | 13.1% |
| Physical Disability | 25.8% |
| Mental Disability | 10.7% |
| Self-Care Disability | 8.4% |
| Go-Outside-Home-Disability | 18.6% |
| Source: Bureau of the Census, 2000 Census. | |
| Note: Data not mutually exclusive. | |

The City of Costa Mesa is dedicated to accommodating the needs of disabled persons and therefore supports the Fairview Developmental Center and other residential facilities in the City. In September 2007, a total of 11 community care facilities in Costa Mesa are licensed by the State Department of Social Services to serve the supportive housing and service needs of persons with disabilities. These facilities provide 91 beds for developmentally disabled residents; another 555 clients are served at adult day care facilities. In addition, the City of Costa Mesa is home to the Fairview Developmental Center that serves developmentally disabled persons. Fairview is licensed for 1,200 beds and currently has 850 beds. Harbor Village (formerly the Fairview Housing Project) gives priority to employees and transitional patients of Fairview Developmental Center.

Female-Headed Households

According to the 2000 Census, 58.1 percent of all households in the City were families, compared to 71.0 percent in the County (Table HOU-22). The proportion of families in the City was estimated to have increased to 59.3 percent in 2005. However, the increase was in families with no children.

Female-headed families represented 10.3 percent of all households in the City in 2000, with approximately half of these families consisting of single-parents with children. In 2000, the poverty level was \$17,050 for a four-person family. Of the female-headed families with children, 21.8 percent were living below the poverty level in 2000, compared to 12.4 percent of all families with children.

The City of Costa Mesa recognizes the needs of single-parent households. To expand housing opportunities in areas near schools, jobs, child care, and transportation, in 2006, the City created three Urban Plans to encourage mixed-use developments in three distinct areas. Programs that address affordable housing for lower and moderate income households benefit female-headed households. In addition, incentives are provided in the City's density bonus provisions to encourage affordable housing that incorporates child care facilities. The City's new Family Residential Occupancy (FRO) program encourages the development of or conversion of hotel rooms into small housing units that are geared toward small households, including single-parent households.

**TABLE HOU-22
HOUSEHOLD TYPE (1990-2000)**

| Household Type | 1990 | | 2000 | |
|---|---------------|------------------|---------------|------------------|
| | Number | Percent of Total | Number | Percent of Total |
| Families | 21,436 | 57.2% | 22,776 | 58.1% |
| Married Couples | 15,917 | 42.5% | 16,762 | 42.8% |
| With Children | 7,176 | 19.2% | 8,435 | 21.5% |
| Female-Headed | 3,691 | 9.9% | 4,028 | 10.3% |
| With Children | 2,102 | 5.6% | 2,137 | 5.5% |
| Non-Families | 16,031 | 42.8% | 16,440 | 41.9% |
| Singles | 10,201 | 32.1% | 11,006 | 28.1% |
| Elderly (65+) | 2,259 | 6.0% | 2,489 | 6.3% |
| TOTAL | 37,467 | 100.0% | 39,206 | 100.0% |
| Source: Bureau of the Census, 1990 and 2000 Census. | | | | |

Large Households

A large household is defined as a household consisting of five or more persons. In 2000, 13.9 percent of the households in the City of Costa Mesa consisted of five or more persons, representing an increase from 1990 when 9.9 percent of the City households were large households (see Table HOU-15). In 2000, the County had 17.4 percent of large households.

Often, an issue with housing large households, particularly those of lower incomes, is overcrowding. Overcrowding is defined as a housing unit occupied by more than one person per room. A severely overcrowded housing unit is one with more than 1.5 persons per room. A room is defined as a bedroom, living room, dining room, or finished recreation room, but excludes kitchen and bathroom.

In 1990, 9.9 percent of the households in the City were considered overcrowded and 10.5 percent of the households in the County were overcrowded. In 2000, the proportion of overcrowded persons significantly increased for both jurisdictions. Overcrowding in Costa Mesa increased to 15.5 percent overall, compared to 15.7 percent in the County.

Specifically, overcrowding tends to impact renter-households more severely than owner-households. As shown in Table HOU-23, 5,326 renter-households (22.8 percent of all renters) and 759 owner-households (4.8 percent of all owners) were overcrowded in 2000. Between 1990 and 2000, the rate of overcrowding increased for both owner- and renter-households, with the rate of severe overcrowding increasing substantially.

This situation is largely a result of the lack of large rental units and most large renter-households are unable to afford the large ownership units. For example, a total of 3,709 large renter-households resided in Costa Mesa in 2000, while there were only 480 rental units with four or more bedrooms. In comparison, 4,719 large owner units were potentially available to 1,624 large owner-households in the City (see Tables HOU-23 and HOU-24).

Aside from overcrowding, large households are also impacted by housing cost burden. Overall, cost burden affected large owner- and renter-households almost equally (see Table HOU-26). However, cost burden decreased with income increases for renter-households. The decrease was less prominent among owner-households.

The City's strategy for addressing overcrowding is to expand rental and ownership housing opportunities in the City, allowing persons/families that double up in housing arrangements to occupy separate housing. In addition, room addition is an eligible activity under the City's Single-Family Rehabilitation Program if overcrowding is an issue.

**TABLE HOU-23
OVERCROWDING (1990-2000)**

| | 1990 | | 2000 | | Change | |
|-------------------------|--------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Households | 15,051 | --- | 15,811 | --- | --- | --- |
| Overcrowding | 299 | 2.0% | 350 | 2.2% | 51 | 17.1% |
| Severe Overcrowding | 188 | 1.2% | 409 | 2.6% | 221 | 117.6% |
| Renter-Households | 22,416 | --- | 23,377 | --- | --- | --- |
| Overcrowding | 1,105 | 4.9% | 1,433 | 6.1% | 328 | 29.7% |
| Severe Overcrowding | 2,106 | 9.4% | 3,893 | 16.7% | 1,787 | 84.5% |
| TOTAL HOUSEHOLDS | 37,467 | --- | 39,188 | --- | --- | --- |
| Overcrowding | 1,404 | 3.7% | 1,783 | 4.5% | 379 | 27.0% |
| Severe Overcrowding | 2,294 | 6.1% | 4,302 | 11.0% | 2,008 | 87.5% |

Source: Bureau of the Census, 1990 and 2000 Census.

Note: Overcrowding data is based on 5-percent sample Census data. Total number of households deviates slightly from 100-percent sample data.

**TABLE HOU-24
HOUSEHOLDS BY TENURE BY BEDROOM TYPE (2000)**

| Bedroom Type | Owner Households | | Renter Households | |
|--------------|------------------|---------------|-------------------|---------------|
| | Number | Percent | Number | Percent |
| 0 Bedroom | 124 | 0.8% | 2,993 | 12.8% |
| 1 Bedroom | 837 | 5.3% | 8,388 | 35.9% |
| 2 Bedrooms | 2,965 | 18.7% | 8,874 | 38.0% |
| 3 Bedrooms | 7,166 | 45.3% | 2,642 | 11.3% |
| 4 Bedrooms | 3,917 | 24.8% | 432 | 1.8% |
| 5+ Bedrooms | 802 | 5.1% | 48 | 0.2% |
| TOTAL | 15,811 | 100.0% | 23,377 | 100.0% |

Source: Bureau of the Census, 2000 Census.

**TABLE HOU-25
HOUSEHOLDS BY TENURE BY SIZE (2000)**

| Household Size | Owner Households | | Renter Households | |
|--|------------------|---------------|-------------------|---------------|
| | Number | Percent | Number | Percent |
| 1 Person | 3,708 | 23.5% | 7,284 | 31.2% |
| 2 Persons | 5,568 | 35.3% | 6,941 | 29.7% |
| 3 Persons | 2,643 | 16.7% | 3,328 | 14.2% |
| 4 Persons | 2,268 | 14.3% | 2,115 | 9.0% |
| 5 persons | 907 | 5.7% | 1,398 | 6.0% |
| 6 Persons | 384 | 2.4% | 818 | 3.5% |
| 7+ Persons | 333 | 2.1% | 1,493 | 6.4% |
| TOTAL | 15,811 | 100.0% | 23,377 | 100.0% |
| Source: Bureau of the Census, 2000 Census. | | | | |

**TABLE HOU-26
INCOME DISTRIBUTION AND COST BURDEN FOR LARGE HOUSEHOLDS (2000)**

| Income | Large Owner-Households | | | Large Renter-Households | | |
|---|------------------------|---------------|----------------------|-------------------------|---------------|----------------------|
| | Total Households | % Cost Burden | % Severe Cost Burden | Total Households | % Cost Burden | % Severe Cost Burden |
| TOTAL LARGE HOUSEHOLDS | 1,624 | 36.2% | 15.0% | 3,709 | 36.2% | 12.1% |
| Extremely Low (Up to 30% AMI) | 5.8% | 79.6% | 75.3% | 16.2% | 92.5% | 79.6% |
| Very Low Income (31-50% AMI) | 8.2% | 83.3% | 53.0% | 24.1% | 67.9% | 7.5% |
| Low Income (51-80% AMI) | 15.2% | 73.5% | 18.4% | 29.8% | 14.0% | 0.9% |
| Moderate/Above Moderate Income (More than 80% AMI) | 70.9% | 19.2% | 0.9% | 30.0% | 2.7% | 0.0% |
| Sources: | | | | | | |
| 1. Bureau of the Census, 2000 Census (total households by tenure). | | | | | | |
| 2. U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) Data, 2000 (income by tenure). | | | | | | |

Farmworkers

According to the 2002 Census of Agriculture, Orange County contains a total of 348 farms on 68,018 acres. Approximately, 58.5 percent of the farms are between one and nine acres in size and 74.8 percent are smaller than 50 acres. The smaller farms generally require fewer workers. About half of the farms (187 farms) hired farm laborers for a total of 7,884 workers; however, 60.8 percent of the farm laborers worked less than 150 days a year. The average payroll per worker was estimated at \$6,372. Overall, the role of agriculture in Orange County is decreasing as acres of farm land are converting to other land uses.

Currently, there are two remaining farms in the City of Costa Mesa: Sakioka Farm and Segerstrom Farm. In 2007, the City of Costa Mesa requested the California Department of Conservation remove Sakioka Lots 1 and 2 from the State Farmland Map. Specifically, the properties listed above be designated as Land Committed to Non-Agricultural Use and designated on the Farmland Map as Urban and Built-Up Land. The General Plan Land Use Designations and Development Agreements on each of the subject properties allow for commercial

and/residential development. Sakioka Lot 1, with the general plan designation of High Density Residential, is the future site of an 890-unit apartment development at approximately 22 units per acre. Completion of the first phase of the apartment complex is anticipated in Spring 2008. Sakioka Lot 2, with a General Plan designation of Urban Center Commercial, is designated for commercial office development with a maximum Floor Area Ratio (FAR) of 0.50 for retail uses and 0.60 for office uses. Limited agricultural activities occurring right now at Lot 2 will be phased out.

Segerstrom Farm is still in agricultural production on approximately 43 acres and has approximately two to seven workers throughout the year. The major crops cultivated at this farm are bean crops, which are amenable to mechanical planting and harvesting. Family members of this family-owned operation often are involved in these activities.

Due to the two small farms and associated small number of farmworkers, the housing needs of farmworkers in the City of Costa Mesa are considered to be minor and may be addressed through existing housing strategies.

Homeless Persons

According to the 2005-2010 Consolidated Plan for Costa Mesa, Orange County suffers from a severe lack of affordable housing for both renters and buyers. The Orange County 2004 Continuum of Care Application submitted to HUD indicates that Orange County is home to approximately 35,000 homeless and at-risk homeless persons, of whom 7 percent are families with children. Chronically homeless persons make up 22 percent of the homeless population, 20 percent are victims of domestic violence, 18 percent are chronic substance abusers, 6 percent are mentally ill, another 6 percent are living with HIV/AIDS, and two percent are either veterans or emancipated youths. From 2003 to 2004, Orange County's chronic homeless population increased in tandem with the 25-percent increase in the general homeless population.

Specific information on the homeless in individual jurisdictions within Orange County is not available. Service providers can only comment on the number of homeless persons they serve but are not able to estimate the number of those who do not seek assistance from their agencies, nor are the agencies able to address the duplicative count issue (one person seeking assistance in several agencies are often counted more than one time).

According to the 2005-2010 Consolidated Plan for Costa Mesa, as a general practice, jurisdictions often use proportional figures for estimating the homeless population – since the City of Costa Mesa comprised about 3.8 percent of the County population, the City may have an equal share of the homeless. Using this general assumption, the homeless and at-risk homeless in Costa Mesa can be placed at about 1,340 persons. Similar to other Orange County cities, the seasonal need for homeless/emergency shelters is typically heightened during late fall, winter, and early spring seasons, and it is during these cold-weather periods that the demand for shelter is generally higher. According to the Consolidated Plan, based on accomplishment data submitted by service providers funded by the City, about 309 persons were provided with emergency shelter assistance and 72 persons were assisted with transitional housing services on an annual basis.

A number of agencies in Costa Mesa provide shelters and services for the homeless and persons at risk of becoming homeless. These include:

- ◆ HOPE Institute (YWCA of Central Orange County)
- ◆ Human Options
- ◆ Mental Health Activities Center
- ◆ Orange Coast Interfaith Shelter
- ◆ Serving People in Need (SPIN)
- ◆ Share Our Selves (SOS) Emergency Services
- ◆ Someone Cares Soup Kitchen

Through the annual CDBG allocation process, the City provides funding to agencies that serve various special needs groups in the City.

HOUSING RESOURCES

This section analyzes housing characteristics, housing conditions, housing costs, vacancy trends, and available land in order to assess the present and future supply of housing in Costa Mesa.

HOUSING GROWTH

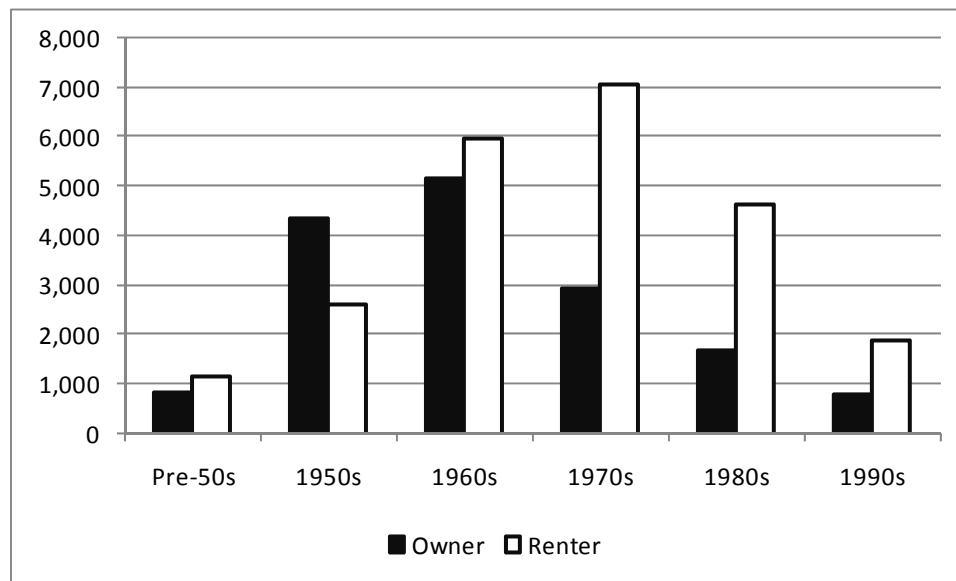
Between 1960 and 1980, there was a trend for the new construction of multi-family units (five or more units per structure). This trend leveled off over the past 27 years. For example, only 251 multi-family units were built between 1990 and 2000, and only 196 multi-family units were built between 2000 and 2007, unlike between 1980 and 1990 when 1,986 units were constructed. In 2007 34.3 percent of the housing units in Costa Mesa were multi-family, compared to the County at 25.8 percent.

According to the 2000 Census, 75.6 percent of the renter-occupied units were built between 1960 and 1989 with the most construction occurring in the 1970s. The number of renter units continued to exceed the number of ownership units, but the difference between the two was narrowing (Chart HOU-4).

TABLE HOU-27
HOUSING UNITS BY TYPE (1990-2007)

| Housing Type | 1990 | | 2000 | | 2007 | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Single-Family | 18,847 | 47.6% | 19,467 | 48.2% | 19,904 | 48.6% |
| 2-4 Units | 5,922 | 14.9% | 5,855 | 14.4% | 5,920 | 14.4% |
| 5+ Units | 13,620 | 34.4% | 13,871 | 34.4% | 14,067 | 34.3% |
| Mobile Home | 1,222 | 3.1% | 1,213 | 3.0% | 1,096 | 2.7% |
| TOTAL | 39,611 | 100.0% | 40,406 | 100.0% | 40,987 | 100.0% |
| Source: California Department of Finance, Population and Housing Estimates, May 1, 2007. | | | | | | |

**CHART HOU-4
HOUSING UNITS BY TENURE BY YEAR STRUCTURE BUILT**



Source: Bureau of the Census, 2000 Census.

VACANCY TRENDS

Vacancy trends in housing establish the relationship between housing supply and demand. For example, if the demand for housing is greater than the available supply, then the vacancy rate is probably low, and the price of housing will most likely increase or remain stable.

According to the 2000 Census, the overall vacancy rate was 3.0 percent (1,211 vacant units) in the City of Costa Mesa, compared to 3.5 percent for Orange County. Most of the vacant units were rental units, consisting of 60 percent of the vacant units. Vacant units for sale comprised 14.7 percent of the vacant units (Table HOU-28).

**TABLE HOU-28
VACANCY BY TYPE (2000)**

| Type of Vacant Units | Number | Percent |
|---|--------------|---------------|
| For Rent | 727 | 60.0% |
| For Sale Only | 178 | 14.7% |
| For Seasonal, Recreational, or Occasional Use | 124 | 10.2% |
| Other | 182 | 15.0% |
| TOTAL | 1,211 | 100.0% |

Source: Bureau of the Census, 2000 Census.

Note: "Other" vacant units include units that are boarded up, and held vacant by the owners for personal reasons.

The California State Department of Finance (DOF) Population Research Unit publishes an annual estimate of population, housing units, vacancy rate, and average household size for all jurisdictions in the State. DOF estimated a vacancy rate for Costa Mesa of 3.0 percent in 2007. Between 2000 and 2007

the DOF indicates that the vacancy rate has remained constant in the City of Costa Mesa. DOF estimate is for all housing unit types and does not differentiate between seasonal, recreational, occasional use and other vacant units.

A citywide apartment survey was conducted in May 2007.⁴ Approximately 42.0 percent of the apartments in the City were sampled. The survey found a vacancy rate of 3.9 percent, with the highest vacancies being in two-bedroom and three-bedroom units.

In 2007, the City also approved an 890-unit apartment complex, which is the largest residential development to be constructed in the City since the 1980s. This project is under construction. As shown in Table HOU-41, 617 units will be affordable to moderate income households based on proposed market rents.

**TABLE HOU-29
MULTI-FAMILY VACANCY BY BEDROOM TYPE (2007)**

| Unit Size | Vacancy Rate |
|--|--------------|
| Studio | 3.6% |
| One-Bedroom/One-Bathroom | 3.1% |
| Two-Bedroom/One-Bathroom | 3.1% |
| Two-Bedroom/Two-Bathroom | 5.3% |
| Three-Bedroom/Two-Bathroom | 5.2% |
| Average | 3.9% |
| Source: Veronica Tam and Associates, 2007, based on a telephone survey of apartment complexes in the City. A total of 75 complexes were contacted. | |

HOUSING CONDITIONS

As a general rule, housing units require major repairs and rehabilitation after 20 to 30 years. As an older and built out community, more than 75 percent of the housing units were built prior to 1980. Specifically, 84.3 percent of the owner units compared to 72.1 percent of the renter units were constructed prior to 1980; these units are either older than or approaching 30 years of age, potentially requiring major repairs or rehabilitation (Chart HOU-4).

Substandard is defined as either in need of rehabilitation or replacement. Overall, the City's housing stock is in good conditions. According to the City's Code Enforcement staff, less than ten percent of the City's housing stock is in need of minor repairs. Only two percent of the housing units may be considered in need of substantial rehabilitation and between one and three units in the City are in need of replacement.

The City of Costa Mesa takes a proactive approach toward housing conditions through housing rehabilitation programs and code enforcement programs. Existing housing rehabilitation and code enforcement programs are successfully correcting code violations and maintaining the housing stock.

Effective September 2000, the City of Costa Mesa adopted by ordinance Title 20 - "Costa Mesa Property Maintenance Regulations." The purpose of Title 20 is to identify property maintenance standards and establish procedures for the prosecution and abatement of public nuisance conditions identified therein.

⁴ Survey was conducted by the City's Housing Element consultant Veronica Tam and Associates.

Through these regulations, City Code Enforcement staff is able to encourage homeowners and apartment building owners to maintain their property by painting, relandscaping and correcting various property maintenance issues such as, removal of inoperative vehicles, enclosure of trash bins, onsite drainage issues, abatement of weeds and rubbish from properties and other issues identified in Title 20. It is through these efforts that the number of substandard housing units in Costa Mesa is minimized.

HOUSING COSTS AND AFFORDABILITY

One of the major barriers to housing availability is the cost of housing. In order to provide housing to all economic levels in the community, a wide variety of housing opportunities at various prices should be made available. The following table describes the ideal monthly payment for households in the five major income groups: extremely low, very low, low, moderate, and above-moderate.

**TABLE HOU-30
AFFORDABILITY BY INCOME GROUP (2007)**

| Affordable Monthly Housing Costs (Include Taxes, Insurance, and Utilities) | | | | | |
|---|---------------|-----------|---------|-----------------------|-----------------|
| | Annual Income | Ownership | Rental | Affordable Home Price | Affordable Rent |
| Extremely Low Income | | | | | |
| 1-Person | \$16,527 | \$413 | \$413 | \$54,762 | \$384 |
| 3-Person | \$21,249 | \$531 | \$531 | \$70,278 | \$493 |
| 4-Person | \$23,610 | \$590 | \$590 | \$71,953 | \$514 |
| 5-Person | \$25,499 | \$637 | \$637 | \$78,813 | \$561 |
| Very Low Income | | | | | |
| 1-Person | \$27,545 | \$689 | \$689 | \$94,781 | \$660 |
| 3-Person | \$35,415 | \$885 | \$885 | \$121,731 | \$847 |
| 4-Person | \$39,350 | \$984 | \$984 | \$129,123 | \$908 |
| 5-Person | \$42,498 | \$1,062 | \$1,062 | \$140,557 | \$986 |
| Low Income | | | | | |
| 1-Person | \$38,563 | \$964 | \$826 | \$134,800 | \$797 |
| 3-Person | \$49,581 | \$1,240 | \$1,062 | \$173,184 | \$1,024 |
| 4-Person | \$55,090 | \$1,377 | \$1,181 | \$186,293 | \$1,105 |
| 5-Person | \$59,497 | \$1,487 | \$1,275 | \$202,301 | \$1,199 |
| Median Income | | | | | |
| 1-Person | \$55,090 | \$1,607 | \$1,377 | \$228,178 | \$1,348 |
| 3-Person | \$70,830 | \$2,066 | \$1,771 | \$293,242 | \$1,733 |
| 4-Person | \$78,700 | \$2,295 | \$1,968 | \$319,690 | \$1,892 |
| 5-Person | \$84,996 | \$2,479 | \$2,125 | \$346,369 | \$2,049 |
| Moderate Income | | | | | |
| 1-Person | \$60,599 | \$1,767 | \$1,515 | \$251,522 | \$1,486 |
| 3-Person | \$77,913 | \$2,272 | \$1,948 | \$323,256 | \$1,910 |
| 4-Person | \$86,570 | \$2,525 | \$2,164 | \$353,039 | \$2,088 |
| 5-Person | \$93,496 | \$2,727 | \$2,337 | \$382,386 | \$2,261 |
| Source: Veronica Tam and Associates, 2007. | | | | | |
| Assumptions: 2007 HCD median income for Orange County - \$78,700; affordable housing costs based on Health and Safety Code standards; 15% of monthly affordable cost for taxes and insurance; 10% downpayment; and 6% interest rate for a 30-year fixed-rate mortgage loan. | | | | | |

Single-Family Home Sales

Regional home prices of single-family homes tripled between 1970 and 1979 and continued to increase through the 1980s. In the early 1990s, the residential market declined and continued to decline until approximately 2000. Since 2000, however, housing prices have increased dramatically in Costa Mesa and throughout California. However, recent indicators suggest that the trend of increasing housing prices is reversing. At the same time, a new problem is occurring throughout California – defaults on subprime mortgages. Over the last few years, many homeowners have acquired mortgages that they could not

afford, often due to variable interest rate loans, or other “creative” financing such as zero downpayment or negative amortization loans. As interest rates increase, the rate of foreclosures could also increase. As a result, many homeowners may face foreclosures and the demand for rental housing may increase.

In 2005, the median single-family home price (based on units sold) in Costa Mesa was approximately \$700,000, and in 2006, the median price increased to \$715,000.⁵ During the first quarter of 2007, the median home price increased again to \$750,000, making it one of the few cities in Orange County that saw an increase in home prices between 2006 and 2007. However, as of the third quarter of 2007, prices in Costa Mesa decreased to a median of \$681,000. Nevertheless, current home prices are significantly higher than they were 10 years ago. For example, in 1997, the median single-family home price was \$220,000.

In Orange County, the median single-family sales price increased from \$610,000 to \$624,000 as of the third quarter of 2007. In comparison to surrounding jurisdictions, the City of Costa Mesa offers a fair range of single-family prices. In the third quarter of 2007, Costa Mesa had a median single-family sales price of \$681,000, which was much less than Newport Beach, but somewhat more expensive than the surrounding jurisdictions. Costa Mesa was the only city among the cities listed in Chart HOU-5 that witnessed an increase in median sales prices between 2006 and 2007. Every other jurisdiction experienced decreases, many over \$100,000. However, in recent months, home prices in Costa Mesa also began to see decreases.

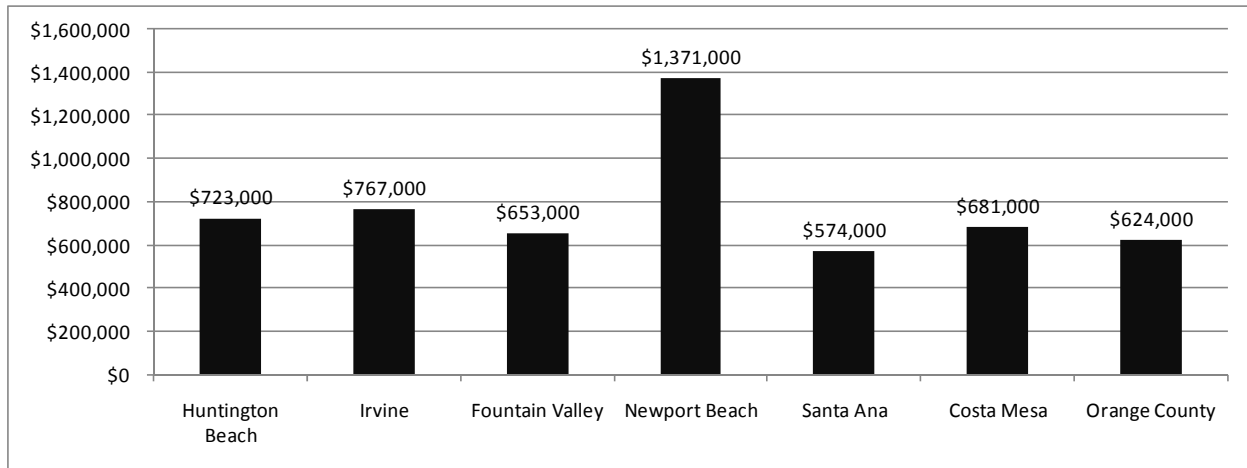
Condominium Sales

According to Zillow.com, a real estate data service, the median price of condominiums in the City of Costa Mesa was \$519,000 in 2007 (third quarter) and \$470,000 in 2006, an increase of 10.4 percent. By comparison, median condominium sales price in the City of Costa Mesa was moderately expensive, ranking third highest amongst surrounding jurisdictions. The City condominium sales were priced above the county median of \$418,000 as of the third quarter of 2007.

Condominiums offer a niche in the housing market between the single-family sales and the rental market. With sales prices in the \$300,000 to \$700,000 range, moderate income groups could afford to own condominiums priced in the lower end of this range in Costa Mesa. However, most condominiums are not affordable for lower income households.

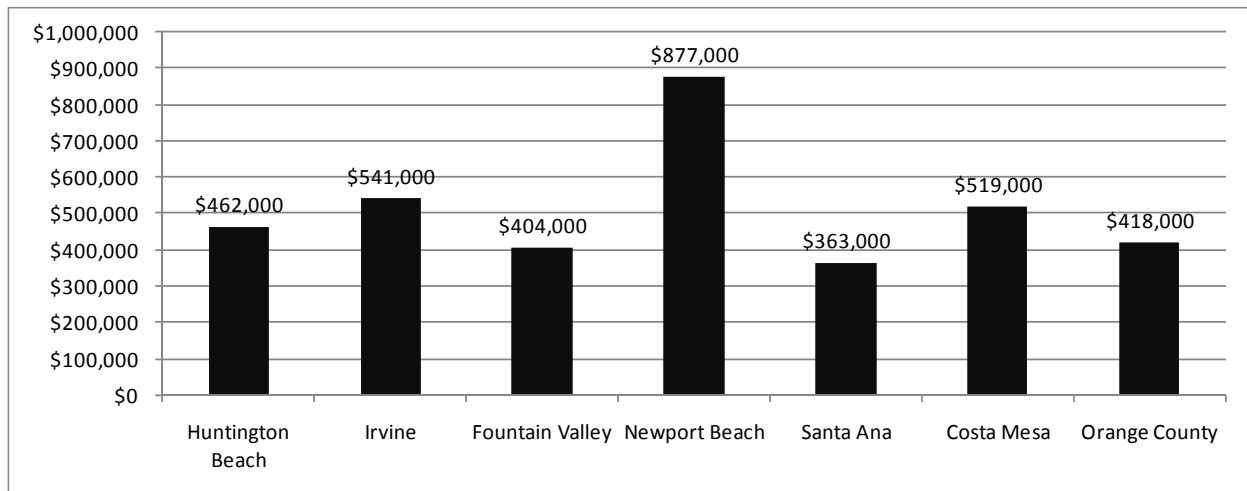
⁵ 2005 and 2006 home price data obtained from Dataquick and 2007 home price data obtained from Zillow; both Dataquick and Zillow are real estate data services.

**CHART HOU-5
MEDIAN SINGLE-FAMILY SALES PRICE OF SURROUNDING JURISDICTIONS (2007)**



Source: www.Zillow.com, October 2007 for third quarter home prices.

**CHART HOU-6
MEDIAN CONDOMINIUM SALES OF SURROUNDING JURISDICTIONS (2007)**



Source: www.Zillow.com, October 2007 for third quarter home prices.

Rental Units

According to a citywide apartment survey conducted in May and June 2007 as part of this Housing Element update, rental rates for apartments in Costa Mesa range from \$750 a month for a studio to \$2,550 a month for a three-bedroom apartment (Table HOU-31). According to interviews with property owners/managers, apartment rents have been increasing at approximately \$50 per year.

**TABLE HOU-31
APARTMENT RENTS (2007)**

| Unit Size | Average Rent | Rent Range |
|--|----------------|------------------------|
| Studio | \$1,018 | \$750-\$1,229 |
| One-Bedroom/One-Bathroom | \$1,214 | \$875-\$1,507 |
| Two-Bedroom/One-Bathroom | \$1,377 | \$1,185-\$1,849 |
| Two-Bedroom/Two-Bathroom | \$1,708 | \$1,200-\$2,500 |
| Three-Bedroom/Two-Bathroom | \$2,095 | \$1,525-\$2,550 |
| TOTAL | \$1,401 | \$750 - \$2,550 |
| Source: Veronica Tam and Associates, 2007, based on a telephone survey of apartment complexes in the City. A total of 75 complexes were contacted. | | |

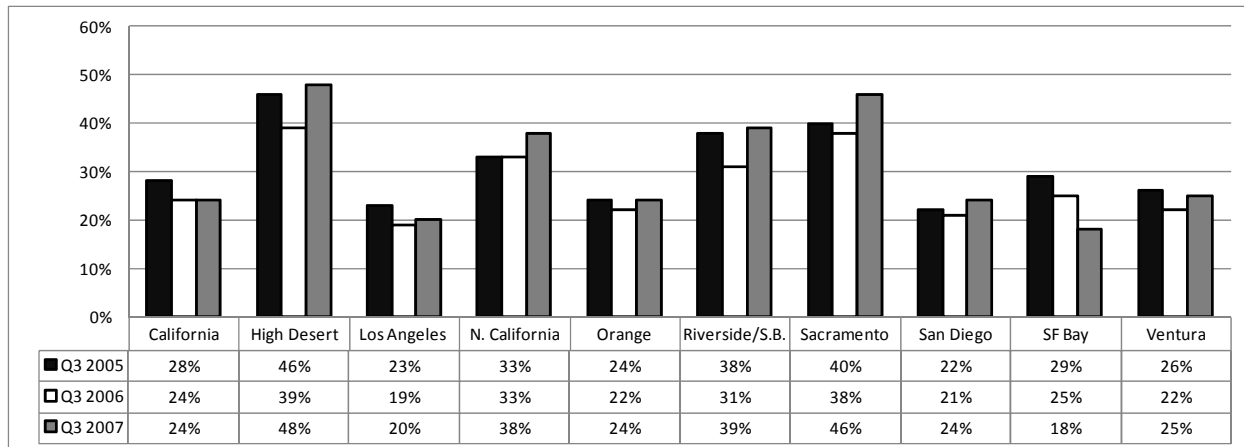
Affordability

Affordability can be defined as a household spending 30 percent or less of household income for housing. Housing costs include rent or mortgage payments, insurance, taxes, and utilities.

According to the California Association of Realtors (CAR), Orange, Los Angeles, and San Diego counties had the least affordable home prices to first-time homebuyers. In the first quarter of 2007, only 23 percent of the first-time home buyers in Orange County could afford a modest home (Chart HOU-7).

To afford a median priced single-family home in Costa Mesa, an annual salary of \$176,400 would be needed and a person has to make approximately \$134,400 to afford a median priced condominium. Most occupations in Orange County offer much lower salaries (Chart HOU-8). Similarly, most occupations offer wages below what would be needed to afford an average priced three-bedroom apartment in Costa Mesa (Chart HOU-9).

**CHART HOU-7
AFFORDABILITY INDEX FOR FIRST-TIME HOMEBUYERS (2007)**

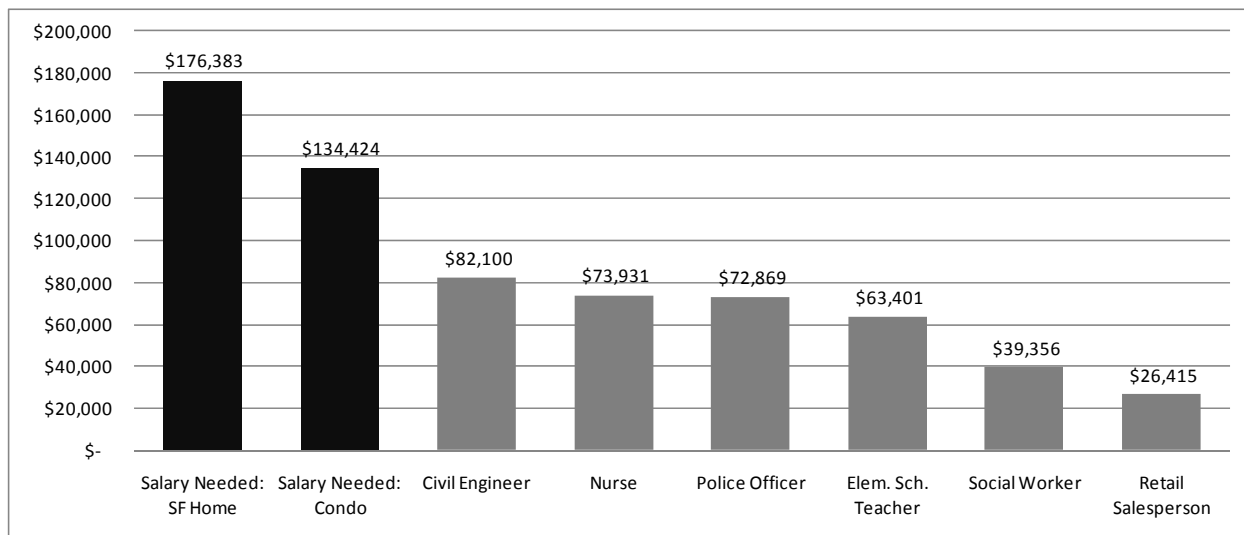


Abbreviation: Q3 = Third Quarter

Source: California Association of Realtors

Note: The California Association of Realtors used the following assumptions: 6.3% interest on a 30-year loan; 10% downpayment; 40% of income to spend on housing; and first-time buyers purchasing an entry-level home at 85% of the prevailing median price.

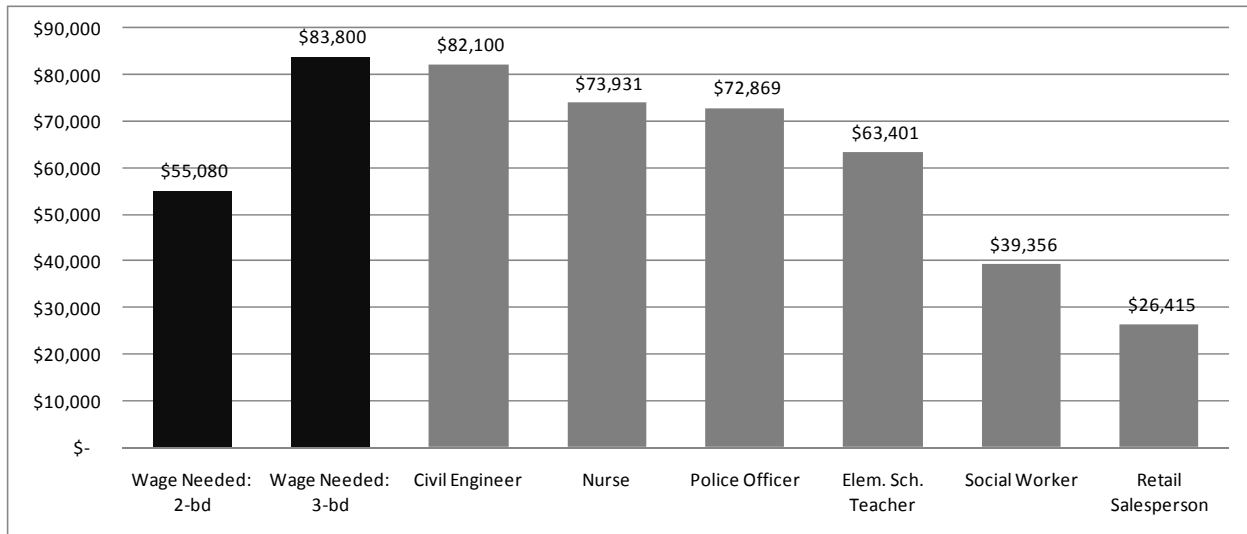
**CHART HOU-8
SALARY BY OCCUPATION COMPARED WITH SALARY NEEDED FOR MEDIAN PRICED HOME
(2007)**



Sources:

1. Wage information obtained from the State Employment Development Department.
2. Affordability calculations prepared by Veronica Tam and Associates, 2007.

CHART HOU-9
SALARY BY OCCUPATION COMPARED WITH SALARY NEEDED FOR AVERAGE RENT (2007)



Sources:

1. Wage information obtained from the State Employment Development Department.
2. Affordability calculations prepared by Veronica Tam and Associates, 2007.

Cost Burden

Housing cost burden issues for seniors and large households were discussed earlier in this section of the Housing Element. Table HOU-32 below shows the extent of cost burden among all households in the City. As shown, 33.0 percent of all homeowners and 38.4 percent of all renters had a housing cost burden in 2000. Cost burden was prevalent among the extremely low and low income households, regardless of tenure. However, the issue persisted for low and moderate income homeowners, but was less prevalent for renters in these income groups.

TABLE HOU-32
INCOME DISTRIBUTION AND COST BURDEN FOR ALL HOUSEHOLDS (2000)

| Income | Owner-Households | | | Renter-Households | | |
|--|------------------|---------------|----------------------|-------------------|---------------|----------------------|
| | Total Households | % Cost Burden | % Severe Cost Burden | Total Households | % Cost Burden | % Severe Cost Burden |
| TOTAL HOUSEHOLDS | 15,800 | 33.0% | 12.3% | 23,406 | 38.4% | 17.8% |
| Extremely Low (Up to 30% AMI) | 6.8% | 73.9% | 61.4% | 15.3% | 79.4% | 70.0% |
| Very Low Income (31-50% AMI) | 7.5% | 61.2% | 39.1% | 15.1% | 83.4% | 34.6% |
| Low Income (51-80% AMI) | 13.7% | 55.7% | 24.6% | 20.6% | 49.4% | 7.7% |
| Moderate/Above Moderate Income (More than 80% AMI) | 72.0% | 21.8% | 2.6% | 48.9% | 7.0% | 0.4% |

Sources:

1. Bureau of the Census, 2000 Census (total households by tenure).
2. U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) Data, 2000 (income by tenure).

COASTAL ZONE HOUSING

California Government Code requires that Housing Elements include information regarding changes to the housing stock within the Coastal Zone. A majority of the Coastal Zone property in Costa Mesa is in public ownership and is designated as open space. Of the total 125.1 acres, approximately 97.7 acres are owned by the County of Orange, while 27.3 acres are owned by the City of Costa Mesa. The remaining acreage includes a privately owned 0.28-acre parcel containing a 16-unit condominium project. There has been no change to the City's Coastal Zone housing stock since 1991.

AT-RISK HOUSING

California Housing Element Law requires all jurisdictions to include a study of all low-income housing units which may be lost to the affordable inventory by the expiration of some type of affordability restrictions. The law requires that the analysis and study cover a ten-year period. For this Housing Element, the at-risk analysis covers the ten-year period from July 1, 2008 through June 30, 2018.

There are three general cases that can result in the conversion of public assisted units:

- 1) **Prepayment of HUD mortgages: Section 221(d)(3), Section 202, Section 811, and Section 236:** A Section 221 (d)(3) is a privately owned project where the U.S. Department of Housing and Urban Development (HUD) provides either below market interest rate loans or market rate loans with a subsidy to the tenants. With Section 236 assistance, HUD provides financing to the owner to reduce the costs for tenants by paying most of the interest on a market rate mortgage. Additional rental subsidy may be provided to the tenant. Section 202 assistance provides a direct loan to non-profit organizations for project development and rent subsidy for low income elderly tenants. Section 811 provides assistance for the development of units for physically handicapped, developmentally disabled, and chronically mentally ill residents.
- 2) **Opt-outs and expirations of project-based Section 8 contracts:** Section 8 is a federally funded program that provides for subsidies to the owner of a pre-qualified project for the difference between the tenant's ability to pay and the contract rent. Opt-outs occur when the owner of the project decides to opt-out of the contract with HUD by pre-paying the remainder of the mortgage. Usually, the likelihood of opt-outs increase as the market rents exceed the contract rents.
- 3) **Other:** Expiration of the low income use period of various financing sources, such as Low-income Housing Tax Credit (LIHTC), bond financing, density bonuses, California Housing Finance Agency (CHFA), Community Development Block Grant (CDBG) and HOME funds, and redevelopment funds. Generally, bond financing properties expire according to a qualified project period or when the bonds mature. The qualified project period in Costa Mesa's bond financed multi-family properties is 15 years. Density bonus units expire in either 10 or 30 years, depending on the level of incentives. Only one density bonus property in Costa Mesa was found with a 10-year affordability term.



Also, recent properties funded through the Costa Mesa Redevelopment Agency generally require an affordability term of 45 to 55 years.

Inventory of Affordable Rental Housing Units

The following inventories include all government assisted rental properties in the City of Costa Mesa. Generally, the inventory consists of HUD, Costa Mesa Redevelopment Agency, Orange County multi-family bonds and density bonus properties. Target levels include the very low and the low income groups. A total of 991 assisted housing units were identified in Costa Mesa (Table HOU-33). Many affordable housing projects in the City maintain 55-year affordability covenants.

**TABLE HOU-33
INVENTORY OF PUBLIC ASSISTED COMPLEXES (2007)**

| Name of Project | Address | Target Group | Target Level | Assisted Units |
|--|---|--------------|---------------------------|----------------|
| Bethel Towers | 666 W. 19 th St. | Senior | Low | 270 |
| Casa Bella | 1840 Park Ave. | Senior | Low | 75 |
| St. John's Manor | 2031 Orange Ave. | Senior | Very Low | 36 |
| Costa Mesa Family Village | 2015 -2019 Pomona Ave. 755-771 W. 20th St. 1924-1932 Wallace Ave. | General | Very Low/Low | 72 |
| Camden Martinique | 2855 Pinecreek Dr. | General | Very Low/Low | 143 |
| Park Place Village (SRO) | 1662 Newport Blvd. | General | Very Low | 60 |
| Costa Mesa Village (SRO) | 2450 Newport Blvd. | General | Very Low | 96 |
| Newport Senior Village (SRO) | 2080 Newport Blvd. | Senior | Very Low/Low | 91 |
| Villa Nova | 2043 Charle St. | General | Very Low | 2 |
| Westbay Apartments | 825 Center Street | General | Low | 17 |
| Mesa Breeze Manor | 867-877 W. 19 th St. | General | Low | 15 |
| Sea Palms Village | 1850 Whittier Ave. | General | Low/Moderate | 28 |
| HOME Rehabilitation Project #1 | 734-744 James Street | General | Very Low/Low | 11 |
| HOME Rehabilitation Project #3A | 745 W. 18 th Street | General | Very Low/Low | 3 |
| HOME Rehabilitation Project #6 | 717-721 James Street | General | Very Low/Low | 8 |
| HOME Rehabilitation Project #3B | 707-711 W. 18 th Street | General | Very Low/Low | 8 |
| Other Density Bonus Units | Scattered | General | Very Low/Low/ Moderate | 56 |
| Sources: 1. U.S. Department of Housing and Urban Development. 2. California Housing Partnership Corporation. 3. City of Costa Mesa. | | | | |

The most prevalent type of "at-risk" conversion in the City is the expiration of the low income use restriction. For example, The Lakes at South Coast were financed through multifamily bonds and HUD Section 8. The bonds expire according to a qualified project period or when the bonds mature. The qualified project period in Costa Mesa's bond financed multi-family properties is 15 years, so the rent-restriction on the Lakes expired on January 1, 2006, 15 years from the origination date. The Lakes at South Coast has 770 units, 154 units were affordable through HUD funds and bonds. However, the Lakes at South Coast did not renew its contract with HUD and was converted to market-rate housing on September 30, 2007.



On October 10, 2006, the Costa Mesa City Council approved an agreement with St. John's Manor to extend the affordability covenant for 55 years in exchange for financial assistance to address rehabilitation needs.

At Risk Status

Two properties are at risk of converting to market-rate housing or losing their low income subsidies within the next ten years. These are: Bethel Towers and Casa Bella (Table HOU-34). A total of 345 units are "at-risk" in the City of Costa Mesa over the ten-year period.

Casa Bella is considered the highest priority, due to the owner being a for-profit entity. However, the City imposed a land use restriction on Casa Bella in exchange for the initial land write down, density increases, parking reductions and participation in HUD financing. The land use restrictions require Casa Bella to remain affordable for the length of the mortgage, 40 years. In other words, Casa Bella is not "at-risk" of converting to market rate through a mortgage prepayment. The risk with Casa Bella converting to market rate is associated with the termination of a tenant-based Section 8 contract.

The City is working with owner of Bethel Towers to explore the feasibility of upgrading their wet fire protection system in exchange for extending the affordability on this property. CDBG funds have been set aside for this project and the City is in the process of exploring alternative means of financing the improvements.

**TABLE HOU-34
INVENTORY OF PUBLIC ASSISTED COMPLEXES AT RISK (2008-2018)**

| Name of Project | Type of Assistance | Expiration Date | Type of Conversion Risk | Number of Units |
|---|-----------------------------|-----------------|--------------------------------|-----------------|
| Bethel Towers | HUD Section 202 | 4/1/2017 | Expiration of Deed Restriction | 270 |
| Casa Bella | RDA/HUD Section 221(d)(4)/8 | 9/11/2010 | Section 8 Termination | 75 |
| Source: HUD/California Housing Partnership Corporation. | | | | |

Cost Analysis

With preservation efforts underway for Bethel Towers, the most at risk project is Casa Bella. Therefore, this cost analysis addresses the various options to preserve the 75-unit Casa Bella. In general, the rehabilitation of existing units instead of new construction is the most cost-effective approach toward the preservation of "at-risk" units. In addition, "at-risk" units may also be preserved through tenant-based rental assistance.

- ◆ **Rehabilitation:** The primary factors used to analyze the cost of preserving low income housing include: acquisition, rehabilitation and financing. Actual acquisition costs depend on several variables such as condition, size, location, existing financing and availability of financing (governmental and market). The per-unit acquisition/rehabilitation cost of \$210,000 is estimated based on apartment complexes listed for sale in moderate condition (average per-unit sales price of \$170,000) and average costs to rehabilitate units (\$40,000 per unit) based on data compiled by the State Department of Housing and Community Development's (HCD) Multifamily Housing Program.
- ◆ **New Construction/Replacement:** New construction implies construction of a new property with the same number of units and similar amenities as the one removed from the affordable housing stock. The cost of constructing new housing units can vary greatly depending on factors such as location, density, unit sizes, construction materials, and on- and off-site improvements. Based on data compiled by the State HCD, average per-unit construction cost (including land acquisition cost) in Costa Mesa for a one- to three-story apartment complex is approximately \$394,000.⁶
- ◆ **Tenant-Based Rental Assistance:** This type of preservation largely depends on the income of the household, the housing costs of the apartment, and the number of years the assistance is provided. A very low income one-person household in Orange County earns up to \$27,545 annually and can afford up to \$689 monthly on rent (see Table HOU-30).

The difference between \$689 and the average rent for a one-bedroom/ one-bath apartment of \$1,214 (Table HOU-31) would require a rental subsidy of \$525 per month or \$6,300 per year. For comparison purposes, typical affordable housing developments carry an affordability term of at least 20 years, which would bring the total cost to approximately \$161,000 per unit.⁷

Preservation Resources

Efforts by the City to retain low-income housing must be able to draw upon two basic types of preservation resources: organizational and financial. Qualified, non-profit entities need to be made aware of the future possibilities of units becoming "at risk." Groups with whom the City has an on-going association are the logical entities for future participation.

Organizational Preservation Resources: The following agencies are potential organizations with interest, experience, and capacity in assisting with preservation of at-risk units:

- ◆ Habitat for Humanity of Orange County (Santa Ana)

⁶ Based on RS Means by the State Department of Housing and Community Development (HCD), the average per-unit land acquisition cost is \$193,306 and average per-unit construction cost is \$200,358, for a total cost of \$393,664.

⁷ Based on an average annual inflation rate of 2.5 percent (six-year average of the Consumer Price Index), a 20-year affordability covenant, the future value of \$6,300 per unit per year would total to \$160,931 over 20 years.

- ◆ Orange County Community Housing Corporation (Orange)
- ◆ Jamboree Housing Corporation (Irvine)
- ◆ BRIDGE Housing Corporation (San Francisco)
- ◆ Century Housing Corporation (Culver City)
- ◆ National Community Renaissance of California (formerly Southern California Housing Development Corporation, Rancho Cucamonga)

Financial Resources: The following is a list of potential financial resources considered a part of the City's overall financial plan to deal with retaining affordable units.

- ◆ **HOME Program:** The City of Costa Mesa receives approximately \$700,000 in HOME funds annually. HOME funds are used primarily for rehabilitation loans and grants, and acquisition/rehabilitation of rental units.
- ◆ **Community Development Block Grant (CDBG) Funds:** The City of Costa Mesa receives approximately \$1.4 million in CDBG funds annually. CDBG funds are used primarily for rental and owner housing rehabilitation activities, infrastructure and public facility improvements, and public services.
- ◆ **Orange County Housing Authority (OCHA):** The Orange County Housing Authority administers two programs: Conventional Public Housing and Section 8 Housing Choice Voucher Program. The Conventional Public Housing Program includes housing developments that are owned and managed by OCHA. The Section 8 Housing Choice Voucher Program is a tenant-based rental subsidy.

As of April 24, 2007, OCHA served 464 Costa Mesa households through Section 8 vouchers. Among the households assisted, 138 were families, 180 were households with disabled members, and 146 were elderly households.

- ◆ **Redevelopment Agency Tax Increment Funds:** As required by State law, the Costa Mesa Redevelopment Agency sets aside 20 percent of the gross tax increment revenues received from the Redevelopment Area into a low to moderate income housing fund for affordable housing activities.

Between 2008 and 2014, the Agency anticipates \$4,742,200 to be deposited into the redevelopment housing set-aside funds. Funding will be used for the following programs:

- First-Time Homebuyer Program
- Single-Family Rehabilitation Loans and Grants

Approximately \$1,000,000 in set-aside funds will be available for future affordable housing projects. The Agency anticipates some of these funds will be used for the preservation of Bethel Towers or a similar land acquisition/rehabilitation project.

5.6 CONSTRAINTS ANALYSIS

A number of factors can serve to constrain the development, preservation, and improvement of housing in Costa Mesa.

GOVERNMENTAL CONSTRAINTS

Actions or policies of numerous governmental agencies, whether involved directly or indirectly in the housing market, can impact the ability of the private sector to provide adequate housing to meet consumer demands. One example is the impact of federal monetary policies. Federal budgeting and funding policies of a variety of departments can either stimulate or depress various aspects of the housing industry. Local or state government compliance or the enactment of sanctions (sewer connection or growth moratoriums) for noncompliance with the federal Clean Air and Water Pollutions Control Acts can impact all types of development.

State agencies and local government compliance with state statutes can complicate the development of housing. The California Environmental Quality Act and sections of the Government Code relating to rezoning and General Plan amendment procedures can also act to prolong the review and approval of development proposals by local governments. In many instances, compliance with these mandates establishes time constraints that cannot be altered by local governments.

Local governments also exercise a number of regulatory and approval powers that directly impact residential development within their respective jurisdictional boundaries. These powers establish the location, intensity, and type of units that may or may not be developed. The City's General Plan, zoning regulations, project review and approval procedures, development and processing fees, utility infrastructure, public service capabilities, and development attitudes all play important roles in determining the cost and availability of housing opportunities in Costa Mesa.

LAND USE CONTROLS

General Plan and Zoning

The Costa Mesa General Plan establishes the location and amount of land that will be allocated to residential development, and the intensity of development (in terms of unit densities and total number of units) that will be permitted. While nearly all components or elements of the General Plan contain goals and policies that influence residential development, the Land Use Element has the most direct influence.

The Land Use Element provides the following residential designations:

- ◆ Low Density Residential (up to 8 units per acre)
- ◆ Medium Density Residential (up to 12 units per acre)
- ◆ High Density Residential (up to 20 units per acre)

In addition, residential uses may also be permitted in the following nonresidential areas at a density of no more than 20 units per acre in conjunction with a planned development except at specific sites:

- ◆ General Commercial

- ◆ Commercial Center
- ◆ Regional Commercial
- ◆ Urban Center Commercial
- ◆ Industrial Park
- ◆ Light Industrial

In implementing the residential land use designations, the R1 zoning district promotes low-density, detached single-family development. The R2-MD district promotes medium-density, multi-family development. The R2-HD and R3 are zones intended for high-density multi-family dwelling units.

DEVELOPMENT STANDARDS

General Residential Development Standards

Generally, minimum lot sizes, minimum open space, maximum height and parking requirements are similar for residential zones R1 through R3, except for a larger minimum lot size in the R2-MD zone and do not create negative impacts for the community and developers (Table HOU-35).

In addition, the City has several planned development zoning districts including the PDR-NCM, which is a special high-density district in North Costa Mesa. The planned development districts provide incentives for innovative designs that incorporate small lots, zero lot lines, residential clustering, mixed densities and mixed income types. The Medium, High and North Costa Mesa PDR zones also allow high-rise apartments and common interest developments (Table HOU-36).

TABLE HOU-35
DEVELOPMENT STANDARDS BY RESIDENTIAL ZONE

| Development Standard | R1 | R2-MD | R2-HD | R3 |
|--|--------------------|--------------------|--------------------|--------------------|
| Min. Lot Size | 6,000 sq. ft. | 12,000 sq. ft. | 12,000 sq. ft. | 12,000 sq. ft. |
| Max. Density | 1 du/6,000 sq. ft. | 1 du/3,630 sq. ft. | 1 du/3,000 sq. ft. | 1 du/2,178 sq. ft. |
| Min. Open Space ¹ | 40% | 40% | 40% | 40% |
| Max. Height | 2 stories/27 ft. | 2 stories/27 ft. | 2 stories/27 ft. | 2 stories/27 ft. |
| Front Setback | 20 ft. | 20 ft. | 20 ft. | 20 ft. |
| Side Setback ² | 5 ft. | 5 ft. | 5 ft. | 5 ft. |
| Rear Setback ² | 10-20 ft. | 10-20 ft. | 10-20 ft. | 10-15 ft. |
| Source: City of Costa Mesa Zoning Code. | | | | |
| Notes: | | | | |
| 1. Open space is an area of land reserved for recreational purposes and does not include driveways, parking areas, and buildings. | | | | |
| 2. Accessory structures that do not exceed 6.5 feet in height in the R1 zone or 15 feet in height in the R2 zones may have a zero side and a zero rear yard setback. | | | | |

**TABLE HOU-36
DEVELOPMENT STANDARDS BY PLANNED DEVELOPMENT DISTRICT**

| Development Standard | PDR-LD | PDR-MD | PDR-HD | PDR-NCM | PDC | PDI |
|---|--|--------|---|---------|----------------|-----|
| Max. Density | 8 | 12 | 20 | 35 | 20 | |
| Max. Site Coverage | Not Applicable | | | | 30-35% | 50% |
| Perimeter Open Space | 20 ft. abutting all public right-of-ways (may be reduced in PDC and PDR-NCM zones) | | | | | |
| Open Space | 45% of total site area, inclusive of perimeter open space | | 42% of total site area, inclusive of perimeter open space | | Not Applicable | |
| Source: City of Costa Mesa Zoning Code. | | | | | | |

Parking requirements are shown in Table HOU-37. Residential uses are required to provide garaged or covered parking, open parking, and guest parking. While these parking standards appear high, they do not impact areas where future residential development are targeted (e.g. in the City's four Urban Plan areas as discussed later). Furthermore, affordable and senior housing development meeting the State Density Bonus Law would be eligible to use the required parking standards under State law.⁸

⁸ State Density Bonus On-Site Parking Standards: Studio to one-bedroom: one parking space; two- to three-bedroom: two parking spaces; four or more bedrooms: 2.5 parking spaces. These requirements include guest and handicapped parking.

**TABLE HOU-37
PARKING STANDARDS BY RESIDENTIAL ZONE**

| Parking Standard | R1 | R2-MD, R2-HD, R3, PDR-LD, PDR-MD, PDR-HD, PDR-NCM, PDC, PDI |
|--|--|---|
| Garage Parking | 2 spaces | Not Applicable |
| Covered Parking (Garage or Carport) | Not Applicable | Bachelor: 1 space 1 Bedrooms: 1 space 2 Bedrooms: 1 space 3+ Bedrooms: 1 space |
| Open Parking ¹ | Lot without garage access from alley: 2 spaces Lot with garage access from alley: 1 space | Bachelor: 0.5 space 1 Bedrooms: 1 space 2 Bedrooms: 1.5 spaces 3+ Bedrooms: 2.5 spaces |
| Guest Parking ² | Not Applicable | Bachelor: 0.5 space 1 Bedrooms: 0.5 space 2 Bedrooms: 0.5 space 3+ Bedrooms: 0.5 space |
| Accessory Apartment/ Granny Flat ³ | 2 spaces (Covered or Open) | Not Applicable |
| Source: City of Costa Mesa Zoning Ordinance, 2007 | | |
| Notes: | | |
| 1. Open parking for multi-family residential can be reduced by 0.25 space per unit for (1) one bedroom and larger units if the covered parking is provided within either a carport or a parking structure. | | |
| 2. Guest parking is calculated separately from covered and open parking. Guest parking may be reduced to 0.25 space per unit for each unit above fifty (50) in a large residential development. | | |
| 3. Parking for accessory apartment or granny flat can be allowed in a driveway at least 19 feet long that leads to a garage. | | |

Urban Plans

As the City of Costa Mesa approaches build-out and with 50.8 percent of the housing stock built before 1970, the identification and preservation of resources becomes essential with respect to long-term planning. Through coordinated efforts the City has developed several neighborhood improvement strategies and urban plans that identify the opportunities available within neighborhoods. These urban plans were created to establish overlay zones in specific areas of the City, with flexible development standards to encourage mixed-use developments. Flexibility in development standards include:

- ◆ Reduced setbacks;
- ◆ Reduced parking requirements;
- ◆ Tandem parking permitted;
- ◆ Increased lot coverage; and
- ◆ Increased height limits.

South Bristol Entertainment and Cultural Arts (SoBECA) Urban Plan: The SoBECA urban plan area covers 39 acres located south of Baker Street, east of the 73rd freeway, and north of the intersection of the SR-73 and SR-55 freeways. The emphasis of the plan is to improve the visual appearance of this area and provide a live/work environment. The plan includes a focus on mixed-use

development comprised of residential uses and commercial uses. This plan was adopted on April 4, 2006.

Westside Implementation Plan: The Westside Implementation Plan was adopted on April 4, 2006 and includes the Mesa West Residential Ownership Urban Plan, 19 West Urban Plan, and Mesa West Bluffs Ownership Urban Plan. The Westside Implementation Plan encompasses an area of 238 acres and includes several multi-family neighborhoods primarily south of West 19th Street. Additional areas north of West 19th Street include portions of neighborhoods that are near Wilson Elementary School, Pomona Elementary School, and Rea Center.

The following generally summarizes the intended residential uses in the Urban Plan areas:

- ◆ **Mesa West Residential Ownership Urban Plan:** The Plan encourages owner-occupied housing by permitting rebuilding to the existing number of units on site even if that exceeds the current zoning allowance. Height limit is three stories and 45 feet.
- ◆ **19 West Plan:** This Plan encourages live/work and residential loft units in mixed-use developments (FAR 1.25); height limit for residential component is four stories and 60 feet.
- ◆ **Mesa West Bluffs:** This Plan encourages live/work (FAR 1.25) and residential common interest developments (13 units per acre); height limit is four stories and 60 feet.

The creation of the mixed-use overlay zone allows new mixed-use and residential development opportunities. The Urban Plans serve as economic incentive plans that provide guidance to property owners and developers for mixed-use development.

Intensity refers to the magnitude of vehicle traffic activity generated by a development. Density refers to the number of dwelling units per acre of land. It is important to note that the density and intensity of mixed-use development are limited by Floor-Area-Ratio (FAR) limits and circulation system capacity. Both the FAR and vehicle trip generation work in concert to ensure that new residential and mixed-use development, as measured by average daily trip generation, do not exceed the capacity of the circulation system.

In the Urban Plan areas, density and intensity are therefore not exclusively measured by the number of dwelling units per acre of land. In the SoBECA, 19 West, and Mesa West Bluffs Urban Plans, a maximum 1.0 FAR (and up to 1.25 FAR in some cases) may be allowed provided that the proposed project will not result in adverse, unmitigable impacts to the City's circulation system. The circulation system must continue to operate consistent with adopted Master Plan of Highways and General Plan goals/policies/objectives.

Specific Plans

Newport Boulevard Specific Plan: This specific plan represents a long-term vision for the eastside of Newport Boulevard impacted by the 55 Freeway extension (between 19th Street and Mesa Drive). The Specific Plan includes issue identification, land use options, development standards and an implementation program. The intent of the Plan includes working with existing

businesses to provide for a prosperous environment and encouraging marginal commercial uses to redevelop to residential and less intensive commercial uses.

North Costa Mesa Specific Plan: This specific plan provides a comprehensive review and analysis of the larger remaining pieces of vacant land and major land holdings in the northern portion of the City. This plan provides opportunities for mixed use projects and provisions for affordable housing in selected areas.

Density Bonus Program

Consistent with State law, the City of Costa Mesa offers density bonus incentives for senior housing projects and projects that reserve a portion of the units as housing affordable to very low, low, and moderate income households. To qualify for a density bonus and concessions or other incentives, the developer of a proposed housing project of at least five units must provide housing units affordable to very low, low or moderate income households, housing for seniors, donate land, and/or construct a child care facility. The review of an application for a density bonus and concession or incentive request is processed as a planning application and goes through the same processes as a typical planning application.

VARIETY OF HOUSING TYPES

General Provisions

Generally, single-family homes (including manufactured homes) are permitted in all residential zones. Multi-family units are also permitted in all residential zones, except in R1 zone. Through a Conditional Use Permit (CUP) process, mobile home parks are permitted in all residential zones, except in R1. Accessory apartments and granny units are permitted in the R1 zone.

In addition, residential uses are also allowed in the Planned Development-Commercial (PDC) and Planned Development-Industrial (PDI) zones. The City's Planned Development zones encourage a more efficient use of land through innovative planning incentives.

**TABLE HOU-38
PERMITTED RESIDENTIAL USES BY RESIDENTIAL ZONE**

| | R1 | R2-MD | R2-HD | R3 | PDR-LD | PDR-MD | PDR-HD | PDR-NCM | PDC | PDI |
|--|----|-------|-------|-----|--------|--------|--------|---------|-----|-----|
| Single-Family/Manufactured | P | P | P | P | P | P | P | P | P | P |
| Multi-Family | ■ | P | P | P | P | P | P | P | P | P |
| Mobile Home Parks | ■ | CUP | CUP | CUP | CUP | CUP | CUP | CUP | CUP | CUP |
| Granny Flat/Accessory Units | P | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Live/Work Units | ■ | ■ | ■ | ■ | P* | P* | P* | P* | P* | P* |
| Residential Care Facility (6 or fewer) | P | P | P | P | P | P | P | P | P | P |
| Residential Services Facility (6 or fewer, not State licensed) | P | P | P | P | P | P | P | P | P | P |
| Residential Care Facility (7 or more) | ■ | C | C | C | ■ | C | C | C | C | C |
| Residential Services Facility (7 or more, not State licensed) | ■ | C | C | C | ■ | C | C | C | C | C |
| Referral Facility | ■ | C | C | C | ■ | CUP | CUP | ■ | ■ | ■ |

P = Permitted; ■ = Prohibited; CUP = Conditional Use Permit, P* = Master Plan Required
 Note: Certain residential uses are also permitted or conditionally permitted in nonresidential zones. Refer to City Zoning Ordinance for details.
 Source: City of Costa Mesa Zoning Ordinance, 2007.

Second Units

Second units in Costa Mesa are permitted as accessory apartments or granny flats.

Accessory Apartments: Requests for the construction of, or conversion of an existing structure to an accessory apartment, must meet State law and the following criteria:

- ◆ One dwelling unit on the property must be owner occupied.
- ◆ Accessory apartments are limited to those lots large enough to support two units without exceeding the General Plan density of units per acre for the lots on which they are to be located.
- ◆ Two open parking spaces to be provided for the accessory apartment.
- ◆ Accessory apartments shall comply with the Zoning Ordinance's required setbacks.
- ◆ Second-story construction to accommodate an accessory apartment may be subject to minor design review.

Granny Flats: Requests for the construction of, or conversion to, granny units are submitted to the planning division for development review approval. Granny units must meet State law and the following criteria:

- ◆ A "Notice and Declaration of Land Use Restriction" outlining the occupancy limits for the granny unit per State Government Code Section

65852.1 shall be signed and recorded prior to issuance of building permits for the granny unit.

- ◆ Two open parking spaces to be provided for the granny unit. Parking can be provided as tandem and can be accommodated on a driveway that is at least 19 feet long leading to a garage.
- ◆ Granny units must comply with the Zoning Ordinance's required setbacks.

Special Needs Housing

The City of Costa Mesa offers a range of housing options for persons with special needs.

Residential Care Facility: A residential facility is licensed by the State where care, services, or treatment is provided to persons living in a community residential setting. Residential care facilities that serve six or fewer persons are treated as regular residential use and are permitted where residential uses of the same types are permitted. Residential care facilities for seven or more persons are conditionally permitted in R2-MD, R2-HD, R3, PDR-MD, PDR-HD, PDR-NCM, PDC, and PDI zones.

Currently, 69 State-licensed community care facilities with a total capacity of 689 beds are operating in Costa Mesa, including:⁹

- ◆ Adult Residential Care Facilities: 7 facilities totaling 75 beds
- ◆ Elderly Residential Care Facilities: 47 facilities totaling 517 beds
- ◆ Group Homes: 12 facilities totaling 81 beds
- ◆ Small Family Homes: 3 facilities totaling 16 beds

Residential Services Facility: A residential services facility is one, other than a residential care facility, boardinghouse, or single housekeeping unit, where the operator provides to the residents personal services, in addition to housing, including, but not limited to, protection, supervision, assistance, guidance, training, therapy, or other nonmedical care. Residential services facilities that serve six or fewer persons are permitted where residential uses of the same types are permitted. Residential services facilities for seven or more persons are conditionally permitted in R2-MD, R2-HD, R3, PDR-MD, PDR-HD, PDR-NCM, PDC, and PDI zones. There are a number of unlicensed facilities in the City,

⁹ State Department of Social Services, http://www.cclld.ca.gov/docs/cclld_search/cclld_search.aspx, accessed on October 24, 2007.

- *Adult Residential Facilities (ARF) are facilities of any capacity that provide 24-hour non-medical care for adults ages 18 through 59, who are unable to provide for their own daily needs. Adults may be physically handicapped, developmentally disabled, and/or mentally disabled.*
- *Residential Care Facilities for the Elderly (RCFE) provide care, supervision and assistance with activities of daily living, such as bathing and grooming. They may also provide incidental medical services under special care plans.*
- *Group Homes are facilities of any capacity and provide 24-hour non-medical care and supervision to children in a structured environment. Group Homes provide social, psychological, and behavioral programs for troubled youths.*
- *Small Family Homes (SFH) provide 24-hour-a-day care in the licensee's family residence for six or fewer children who are mentally disabled, developmentally disabled, or physically handicapped, and who require special care and supervision as a result of such disabilities.*

which number is unknown since a license is not required and they are permitted by right.

Referral Facility: A residential care facility or a residential services facility where one or more person's residency in the facility is pursuant to a court order or a directive from an agency in the criminal justice system. Referral facility does not include any residential care facility containing six or fewer residents that is required to be treated as a regular residential use by State law.

Referral facilities are conditionally permitted R2-MD, R2-HD, R3, PDR-MD, and PDR-HD zones, subject to the following conditions:

- ◆ No referral facility may be located within 500 feet of property that is as zoned as R-1 or PDR-LD, or within 500 feet of a school, park, place of worship, or licensed day care facility.
- ◆ A referral facility must have a manager on-site, 24 hours every day to ensure the orderly operation of the facility and its compliance with all applicable laws, regulations, and conditions.
- ◆ No referral facility shall admit a resident who has been convicted of any crime involving physical force against a person, illegal possession of a weapon, possession, or use of a weapon in the commission of a crime, or a felony involving a controlled substance.

Transitional Housing: As defined by Section 50675.2(h) of Health and Safety Code, transitional housing means buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. The goal of transitional housing is to provide the support needed for participants to move into permanent housing or permanent supportive housing.

Transitional housing in Costa Mesa is permitted or conditionally permitted as a residential care facility, residential services facility, or residential referral facility if it is operated as a group residential facility. If the transitional housing is operated as rental apartments, it is permitted by right as a multi-family residential use where multi-family housing is permitted.

In addition, the City permits long-term occupancy in motels for up to 25 percent of the rooms. To exceed 25 percent of the rooms, a CUP is required. So a total of 197 motel rooms in the City's 15 independently-owned motels can be made available for long-term occupancy without discretionary zoning approval. The City approved two motels with long-term occupancy. They include the following:

- ◆ Costa Mesa Motor Inn at 2277 Harbor Boulevard – approved for 40 percent or 94 rooms
- ◆ Sandpiper at 1967/1977 Newport Boulevard – approved for 41 percent or 19 rooms

Supportive Housing: As defined by Section 50675.14(b) of Health and Safety Code, supportive housing is housing with no limit on length of stay, that is occupied by the target population as defined in subdivision (d) of Section 53260, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and

maximizing his or her ability to live and, when possible, work in the community. Typically, supportive housing is permanent housing.

In Costa Mesa, supportive housing is permitted or conditionally permitted as residential services facilities if operated as group residential facilities. If the supportive housing is operated as rental apartments with a service component, such housing is permitted by right as a multi-family residential uses where multi-family housing is permitted.

Single Room Occupancy (SRO): The City encourages mixed-use development by allowing a variety of residential uses in non-residential zones. For example, SROs are allowed in the commercial C1 and C2 zones with a Conditional Use Permit. The allowance of SROs in commercial zones resulted in the following projects:

- ◆ Costa Mesa Village – 96 very low and low income SRO units
- ◆ Park Place Village – 60 very low and low income SRO units
- ◆ Newport Senior Village – 91 very low and low income SRO units

Emergency Shelters: Senate Bill No. 2 amended Sections 65582, 65583, and 65589.5 of the Government Code relating to local planning. This bill added emergency shelters to these provisions and required that the Housing Element identify zones in the City where emergency shelters are allowed as a permitted use without a Conditional Use Permit.

State law defines an emergency shelter as a means of housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. Special needs housing include boarding houses, residential care facilities, and residential service facilities.

Based on service records provided by nonprofit agencies, an estimated 309 homeless persons from Costa Mesa utilize emergency shelters over the course of one year. Currently, the Municipal Code allows small boarding houses and residential care facilities for six or fewer persons as permitted uses in all residential zones (R1, R2-MD, R2-HD, and R3). For example, a small boarding house is a dwelling designed or used to accommodate a maximum of three guests, where guestrooms are provided in exchange for an agreed payment of a fixed amount of money or other compensation based on the period of occupancy. Special needs housing may be provided in large boardinghouses, and these facilities require a conditional use permit in the R2-MD, R2-HD, and R3 zones.

The City of Costa Mesa is processing a Zoning Ordinance to identify specific sites with by-right zoning to accommodate the community's need for emergency homeless shelters. Specifically, the City has identified the R3 zone (Multi-Family Residential, High Density) and the PDR-HD zone (Planned Development Residential, High Density) where emergency homeless shelters are proposed to be permitted by right. The Zoning Code amendment will establish specific development standards and the following performance standards for emergency shelters:

- ◆ Maximum number of beds;
- ◆ Proximity to other shelters;
- ◆ Length of stay;

- ◆ Off-Street parking standards to be the same as other residential uses within the same zone;
- ◆ Size and Location of exterior and interior waiting drop-off;
- ◆ Security and lighting; and
- ◆ Provision of on-site management.

Properties zoned R3 and PDR-HD are distributed throughout the City, but are primarily located along major transportation corridors.. The R3 and PDR-HD zones are appropriate zoning districts for accommodating emergency shelters because they offer easy access to public transportation and services.

There are over 1,200 parcels totaling approximately 650 acres in the R3 and PDR-HD zones. Existing uses generally consist of residential uses such as single-family homes, condominium complexes, townhouses, and apartment complexes.- According to the Consolidated Plan, about 309 homeless persons were provided with emergency shelter assistance and 72 persons were assisted with transitional housing services on an annual basis in the City of Costa Mesa. These residential parcels with existing structures may provide opportunities to convert residences into emergency shelters for homeless persons. If two percent of these properties were developed into emergency shelters, this would provide a development capacity of 13 acres of land at 20 dwelling units per acre, or 260 dwelling units. The development of emergency shelters as permitted uses in the R3 and PDR-HD zones could satisfy the majority of the annual demand for homeless persons in the City.

These residential parcels with existing structures may provide opportunities to convert residences into emergency shelters for homeless person. About one percent of the R3 and PDR-HD zoned properties are considered underutilized because they are either vacant, consist of nonconforming uses, or consist of residential development at lower than the maximum density allowed. If one percent of these properties were developed into emergency shelters, this would provide a development capacity of 6.5 acres of land at 20 dwelling units per acre, or 130 dwelling units. The development of emergency shelters as permitted uses in the R3 and PDR-HD zones could help meet the annual demand for homeless persons in the City.

The City is primarily built out; few vacant properties remain in the City. As discussed in Section 5.7 (Opportunities for Residential Development), future residential development will occur primarily on underutilized properties in the Urban Plan areas and in the Downtown Redevelopment Project Area where there are R3 and PDR-HD zoned properties. Appendix C identifies a list of underutilized properties in the Urban Plan areas with redevelopment potential. Emergency shelters can be accommodated as recycling of underutilized properties. Existing buildings may also be converted to accommodate emergency shelters.

Constraints on Housing for Persons with Disabilities

The City of Costa Mesa recognizes the importance of addressing the housing needs of persons with disabilities. This section review potential governmental constraints to the development and improvement of housing for persons with disabilities.

Definition of Family: The City's Zoning Ordinance defines "family" as "one or more persons occupying one dwelling unit and living together as a single housekeeping unit." This definition is accommodating to different household

types including unrelated persons living together. This definition would not constrain the development and rehabilitation of housing for persons with disabilities.

Zoning and Land Use: The Zoning Ordinance provides for a range of housing options for persons with special needs, including persons with disabilities. Specifically, the Zoning Ordinance provides for the permitting of residential care facilities, residential services facilities, and referral facilities (see respective discussions above). Such flexible standards have resulted in a large number of residential facilities for persons with disabilities in the City. The Fairview Developmental Center (FDC) is one of the largest residential facilities for developmentally disabled persons in the State. As of September 26, 2007, the FDC had 570 residents and employed a staff of 1,500.¹⁰

The state-operated Fairview Developmental Center (formerly Fairview State Hospital) provides affordable housing for hospital employees and transitional patients/clients. A long-term lease extending through 2039 was executed between the State of California and the City of Costa Mesa. Entitlements have been established in the late 1970s to allow construction of the Harbor Village apartment housing project in two phases.

Phase One of the Harbor Village multi-family residential project included a 144-unit affordable apartment project developed on the Fairview State Hospital property for employee and patient/client housing. This project was approved on December 7, 1981 and became an accessory residential use to the hospital.

Phase Two involved the construction of an additional 406 apartments, for a total of 550 units. All of the 550 units in Harbor Village will remain affordable through 2039. With a 50-year lease, the long-term affordability of this large apartment community continues to provide housing to numerous low to moderate income FDC employees and patients, which include developmentally disabled persons.

The City of Costa Mesa, in its Zoning Ordinance specifically requires the number of handicapped parking spaces to conform to Title 24 of the California Code. All multi-family complexes are required to provide handicapped parking spaces, depending on the size of the development. The City is flexible and would work with the developers of special needs housing and would reduce parking requirements if the applicant can demonstrate a reduced need for parking.

Permits and Processing: All City offices of the City of Costa Mesa are handicapped accessible. The City will reasonably accommodate any specific verbal or written request for assistance.

Applications for retrofit are processed over-the-counter in the same process as for improvements to any single-family home. The process for retrofitting homes to improve accessibility is the standard building permit process. A CUP is required for reasonable accommodation requests regarding building codes. However no fee is required for the CUP. The intention of the building permit process is to ensure that the proposed modification meets all tenets of the Americans with Disabilities Act and the Uniform Building Code, and that it does not conflict with any other health or safety codes. All development applications are reviewed for full compliance with all applicable laws governing access for persons with disabilities including the Uniform Building Code and the Americans with

¹⁰ State Department of Developmental Services, <http://www.dds.cahwnet.gov/Fairview/Fairview.cfm>, accessed October 20, 2007.

Disabilities Act. Additionally, the City follows standards set out by the document “A Guide to California Non-residential ADA Accessibility Retrofits” published by the California Building Officials in 1995. These standards include disseminating information to the public and specific guidelines and plans for all ADA retrofit construction. Comprehensive worksheets are also provided regarding accessibility requirements for ADA retrofit or new construction.

Costa Mesa continually reviews its ordinances, policies, and practices for compliance with fair housing laws. Costa Mesa broadened and revised definition of “family” to include State and federal definitions relating to unrelated adults. The City is in compliance with all Fair Housing Laws.

Reasonable Accommodation: The City adopted a reasonable accommodation ordinance in 2000. Title 13, Article 15, Reasonable Accommodation, of the Municipal Code describes the City’s policy to provide reasonable accommodation in accordance with federal and state Fair Housing Acts (42 USC Section 3600 et seq. and Government code Section 12900 et seq.) for persons with disabilities seeking fair access to housing in the application of the City’s zoning laws.

Costa Mesa continually reviews its ordinances, policies, and practices for compliance with fair housing laws. Costa Mesa broadened and revised definition of “family” to include State and federal definitions relating to unrelated adults. The City’s Municipal Code defines family as being “One (1) or more persons occupying one (1) dwelling unit and living together as a single housekeeping unit.” This is a broad definition and does not constrain or limit development of residential care facilities or other types of specialized housing for unrelated individuals. The Residential Care Facility and Residential Service Facility are defined as follows:

- ◆ **Residential Care Facility:** A residential facility licensed by the state where care, services, or treatment is provided to persons living in a community residential setting.
- ◆ **Residential Service Facility:** A residential facility, other than a residential care facility, boardinghouse, or single housekeeping unit, where the operator provides to the residents personal services, in addition to housing, including, but not limited to, protection, supervision, assistance, guidance, training, therapy, or other nonmedical care.

Both uses, if serving six or fewer persons are permitted in all residential districts including single family detached low density districts. Residential care and service facilities serving seven or more persons are subject to a conditional use permit.

Reasonable Accommodation by Right

On a related note, any disabled resident/homeowner who seeks reasonable accommodation to implement structural improvements to their residence for disabled access may also apply for zoning relief. The City of Costa Mesa recognizes that mobility impaired individuals require special housing or structural needs. These include, but are not limited to, wheelchair ramps, widened doorways, grab bars, and access ramps. The City considers various factors when determining whether to grant a reasonable accommodation, including but not limited to, special needs created by the disability, potential benefit that can be accomplished by the requested modification, potential impact on properties within

the vicinity, and physical attributes of the property and structures. If the requests meet the development standards, only a building permit is required.

The disabled person may also request review of any deviation from an adopted zoning requirement. Currently, these discretionary requests are not permitted by right. However, the City will amend the zoning code to remove governmental constraints to reasonable accommodation requests for disability reasons. The Zoning Code amendment would create a "minor modification" process that would streamline the process for requesting deviation to the development standards related to implementation of physical improvements such as lifts and ramps as a minor modification without requiring a public hearing. The minor modification process would allow City staff to approve these requests administratively. For example, an application for a minor modification is reviewed by the Planning Division with no public notice or public hearing. Reasonable accommodation created by the disability would be considered in the review process.

Given the typical site constraints of residential lots, it is anticipated that the most commonly requested deviation would be parking or setback variances to allow placement of ramps. Since parking is limited in most residential neighborhoods, the City's current Reasonable Accommodations procedure allows deviations through a public hearing process so that these requests are considered on a case-by-case basis with consideration of level of impacts to adjacent properties. To further encourage reasonable accommodation requests, the Zoning Code will be modified to allow ministerial review for all such requests. The Zoning Code will also be amended to include additional provisions for streamlining the process. In addition, the City will be providing public information flyers at the City Hall and on the City's website noting the reasonable accommodation process and requirements.

Any person seeking approval to operate a residential care facility, residential services facility, or referral facility that will substantially serve persons with disabilities may apply for a reasonable accommodation to obtain relief from a zoning code provision, regulation, policy, or condition which causes a barrier to equal opportunity housing. The City of Costa Mesa recognizes the community needs for residential care facilities. To streamline the reasonable accommodation process, the City will amend the Reasonable Accommodation Ordinance to allow for ministerial review of these applications from facility operators and from residents through minor modifications and eliminating the public hearing and public notice. This application is processed in the same manner as a Conditional Use Permit.

Applications for retrofit are processed over-the-counter in the same process as for improvements to any single-family home. The process for retrofitting homes to improve accessibility is the standard building permit process. The intention of the building permit process is to ensure that the proposed modification meets all tenets of the Americans with Disabilities Act and the Uniform Building Code, and that it does not conflict with any other health or safety codes. All development applications are reviewed for full compliance with all applicable laws governing access for persons with disabilities including the Uniform Building Code and the Americans with Disabilities Act. Additionally, the City follows standards set out by the document "A Guide to California Non-residential ADA Accessibility Retrofits" published by the California Building Officials in 1995. These standards include disseminating information to the public and specific guidelines and plans for all ADA retrofit construction. Comprehensive worksheets are also provided regarding accessibility requirements for ADA retrofit or new construction.

LOCAL ENTITLEMENT PROCESSING AND FEES

Two aspects of local government have been criticized as placing undue burdens on the private sector's ability to build affordable housing. These are: (1) the fees or other exactions required of developers to obtain project approval and, (2) the time delays caused by the review and approval process. Critics contend that lengthy review periods increase financial and carrying costs and that fees and exactions increase expenses. These costs are in part passed onto the prospective homebuyer in the form of higher purchase prices or rents.

Processing Procedures

The time required to process a project varies tremendously from one project to another and is directly related to the size and complexity of the proposal and the number of actions or approvals needed to complete the process. Table HOU-39 identifies the most common steps in the entitlement process. It should be noted that each project does not necessarily have to complete each step in the process (i.e., small-scale projects consistent with General Plan and zoning designations do not generally require Environmental Impact Reports (EIRs), General Plan Amendments, Rezones, or Variances). Also, certain review and approval procedures may run concurrently. Since most EIRs are prepared in response to a General Plan Amendment request, these two actions are often processed simultaneously. Costa Mesa also encourages the joint processing of related applications for a single project. As an example, a rezone petition for a Planned Development Zone may be reviewed in conjunction with the required Development Plan, a tentative tract map and any necessary variances. Such procedures save time, money and effort for both the public and private sector.

Generally, the process begins when the applicant submits their planning application, fees, and required number of plans. A Development Review committee determines if the plans are accurate and complete. This review generally takes about 30 days. If the plans are accurate and complete, the application is accepted for processing, a Project Planner is assigned to the project, and a public hearing is scheduled. An Office Specialist then prepares draft publications and notices and distributes the file and plans to the Project Planner who then reviews and analyzes the plans and application. The Project Planner prepares a staff report, and at the same time, the Office Specialist mails, posts, and publishes public notices. When staff reports are completed, they are distributed and posted to the website prior to the public hearing. The Planning Commission conducts a public hearing and approves, conditionally approves, or denies the application. The process from the time that the Project Planner is assigned to the project to the time that it goes to the Planning Commission is typically six to eight weeks.

**TABLE HOU-39
DEVELOPMENT REVIEW AND APPROVAL PROCEDURES**

| Action/Request | Processing Time | Comments |
|---|-----------------|---|
| Environmental Impact Report (Fee: Consultant contract estimate plus 10%) | 6-9 Months | Processing and review time limits as specified by State law. Certified by decision making body. |
| Negative Declaration (Fee: \$910) | 3-4 Weeks | Processing time can be extended if the project has a longer review and approval period. Adopted by decision making body. |
| General Plan Amendment (Fee: \$3,245) | 4-6 Months | Gov. Code Section 65358 limits the number of times any element of the General Plan can be amended each calendar year. Decided by the City Council upon recommendation by Planning Commission. |
| Rezone (Fee: \$1,720) | 90 days | Certain procedures and time limits established by Gov. Code Sections 65854-65857. Decided by the City Council upon recommendation by the Planning Commission. |
| Parcel Map (Fee: \$1,300) | 90 days | Decided by the Planning Commission |
| Tentative Tract Map (Fee: \$1,300) | 90 days | Decided by Planning Commission |
| Variance (Fee: \$1,450) | 90 days | Decided by Planning Commission |
| Administrative Adjustment (Fee: \$910) | 3-4 Weeks | Decided by Zoning Administrator |
| Development Review (Fee: \$810) | 3 Weeks | Staff level review |
| Note: Fee reflects 2007 fee schedule; fee review is conducted on an annual basis. | | |

Design Review: For projects that require a Design Review, the conditions for project approval are determined on a case-by-case basis under the following criteria for consideration:

- ◆ Ensure adequate light, air, privacy and open space for each dwelling unit.
- ◆ Minimize traffic congestion and avoid overloading of public services and utilities.
- ◆ Protect residential neighborhoods from excessive noise, illumination, unsightliness, odor, smoke and other objectionable influences.
- ◆ Locate development which retains the scale and character of existing residential neighborhoods and facilitates the upgrade of declining and mixed-density residential neighborhoods.

Planning and Development Fees

A brief survey shows that the planning application fees charged by the City of Costa Mesa are generally lower than surrounding cities and Orange County (Table HOU-40). For example, Costa Mesa imposed a fee of \$3,245 for a General Plan Amendment which is significantly lower than fees charged by Huntington Beach, Fountain Valley, and Orange County. Only Santa Ana had a lower fee for General Plan Amendment. The City of Irvine charges the processing of a General Plan Amendment hourly at \$118 per hour. It is estimated that this could potential be higher than the fixed fee charged by Costa Mesa.

Furthermore, the City provides fee credits for existing development against new development. The developer is required to pay certain fees for only the net increase of residential units on site. Fee credits are available for park fees, sanitation district fees, and traffic impact fees.

**TABLE HOU-40
PLANNING APPLICATION FEES – SURROUNDING JURISDICTIONS**

| Jurisdiction | General Plan Amendment | Zone Change | Parcel Map | Variance |
|---|--|--------------------|--------------------------|----------------------|
| Costa Mesa | \$3,400* | \$1,820 | \$1,380 | \$1,600 |
| Huntington Beach | \$17,998 (minor) \$32,948 (major) | \$8,437 | \$4,068 | \$2,446 |
| Fountain Valley | \$8,140 | \$4,300 | \$1,985 | \$2,700 |
| Newport Beach | \$135/hour - \$2,200 (minor) \$135/hour - \$5,000 (major) | \$135/hour-\$2,200 | \$710 | \$135/hour - \$2,200 |
| Santa Ana | \$2,830 | \$2,260 | \$1,060** | \$2,265 |
| Irvine | \$118/Hr. | \$118/Hr. | \$118/Hr. | \$118/Hr. |
| Orange County | \$10,000 | \$10,000 | \$5,000 (screencheck) | \$4,000 |
| Source: Planning departments of respective jurisdictions, 2008 | | | | |
| * Plus \$900 for General Plan Amendment Screening. ** Plus \$22 for each lot. | | | | |

Fees, land dedications, or improvements are also required in most instances to provide an adequate supply of public park land and to provide necessary public improvements (streets, sewers, and storm drains) to support the new development. While such costs are charged to the developer, most, if not all, additional costs are passed to the ultimate product consumer in the form of higher prices or rents. The significance of the necessary public works improvements in determining final costs varies greatly from project to project. The improvements are dependent on the amount of existing improvements and nature of the project.

Costa Mesa also assesses a traffic impact fee on an incremental basis, as shown in Table HOU-41. Various governmental agencies also charge fees depending on the service and the location of the project. A summary of these fees are presented in Table HOU-42. Based on the City's schedules of fees, the development of a typical multi-family apartment complex is estimated to require \$27,061 in fees per unit.

**TABLE HOU-41
TRAFFIC IMPACT FEE SCHEDULE**

| Average Daily Trip Ends (ADT) | Traffic Impact Fee |
|-----------------------------------|--------------------|
| 0 to 25 ADT | \$0 / ADT |
| 26 to 50 ADT | \$50 / ADT |
| 51 to 75 ADT | \$75 / ADT |
| 76 to 100 ADT | \$100 / ADT |
| 101 ADT and More | \$181/ADT |
| Source: City of Costa Mesa, 2008. | |

**TABLE HOU-42
DEVELOPMENT FEES SCHEDULE**

| Agency | Activity | Rate |
|--|--|--|
| Building Division | Building Plan Check | Based on Valuation of Improvements |
| Building Division | Building/plumbing/mechanical/electrical permits | Based on Valuation of Improvements |
| Planning Division | Letter of Confirmation (flood zone, zoning) | \$35 |
| Planning Division | Parkland Impact Fee Single-Family Multifamily | \$13,572/du \$13,829/du |
| Engineering Division | Drainage Fee | \$3,141.50-\$5,654.50/acre |
| Engineering Division | Final map check fee | \$85/hour |
| Engineering Division | Off-site plan check | \$85/hour |
| Engineering Division | Street improvement plan check fee | \$85/hour |
| Engineering Division | Deposit/bond – off site work | 2x the amount of the cost estimate of off-site work |
| Engineering Division | Construction Access permit | \$210 |
| Engineering Division | Curb and Gutter permit | \$340 |
| Engineering Division | Driveway approach | \$400 |
| Engineering Division | Sidewalk permit | \$355 |
| Engineering Division | Wheelchair ramp | \$340 |
| Engineering Division | Public right-of-way inspection | \$120/hour |
| San Joaquin Hills Trans. Corridor Agency | Single-family residential Multifamily residential | \$3,328/du \$1,942/du |
| Newport Mesa Unified School District | Residential | \$1.84/sf |
| Santa Ana Unified School District | Residential Residential exclusively for senior citizens | \$2.24/sf of assessable space \$0.30/sf of assessable space |
| Source: City of Costa Mesa, 2007. | | |

ON-/OFF-SITE IMPROVEMENT STANDARDS

Costs associated with site improvements are an important component of new residential development costs. Site improvements costs are applied to provide sanitary sewer and water service to a project, to make necessary transportation improvements, and to provide other infrastructure to the project. Improvements required may include grading, surfacing, sidewalks, curbs, gutters, culverts, bridges, storm drains, water mains and service connections to the property line

with cutoff valves, sanitary sewers and such other structures or improvements as may be required by ordinance for the general use of the lot owners in the subdivision and for local neighborhood traffic and drainage needs. In addition, the City may require the payment for various offsite improvements as part of project mitigation measures (e.g., payment towards an offsite traffic signal).

Developers of new residential projects are also required to construct all onsite streets, sidewalks, curb, gutter, and affected portions of offsite arterials. The cost for site improvements varies from project to project. Even for infill projects where infrastructure may already be available, there is often a need to upgrade and/or expand the existing improvements to serve new residential development. Curbs, gutters, and drainage facilities direct storm and runoff water out of residential developments.

City roadways are required to be paved. Pavement creates an all-weather roadway, facilitates roadway drainage, and reduces dust. It also produces a high speed circulation system and facilitates relatively safe traffic movement. Roadways are classified by the City according to traffic needs. They are as follows:

- ◆ Major Arterial – 6-Lane Divided Roadway (104 feet)
- ◆ Primary Arterial – 4-Lane Divided Roadway (80 feet)
- ◆ Secondary Arterial – 4-Lane Undivided Roadway (72 feet)
- ◆ Collector Arterial – 2-Lane Undivided Roadway (60 feet)

Arterials and collectors are designated on the General Plan according to existing and projected needs. Developers are responsible for the development of roadways associated with the residential project. As the City's circulation system is already well established, street improvements required relate primarily to traffic mitigation measures, such as installation of stoplights or stop signs, curb cuts for ingress/egress, installation of turn lanes, or bike paths. Significant dedication of land for new streets is not anticipated for most residential developments in the City.

Development of and connection to municipal water and sewer services are required as a condition of approving tract maps. Water service is necessary for a constant supply of potable water. Sewer services are necessary for the sanitary disposal of wastewater. These off-site requirements, which increase costs of development, also allow for the development of much higher residential densities.

The City's on- and off-site improvement requirements are typical for urban development in a highly developed community. While these improvements add to the cost of housing, they do not constrain housing development as these improvements are similarly required in all surrounding communities.

BUILDING CODES AND ENFORCEMENT

Compliance with Building Code standards is necessary to protect the health, safety and welfare of the citizens. The City of Costa Mesa currently uses the California 2007 Building Code (effective January 1, 2008) and no local amendments have been made to the Code that might diminish the ability to accommodate housing development in general or housing for persons with disabilities in particular.

MARKET CONSTRAINTS

The private market influences the selling and rental prices of all types of housing. While actions within the public sector play important parts in determining the cost of housing, the private sector affects the residential markets through such mechanisms as supply costs (i.e., land, construction, financing) and value of consumer preference.

AVAILABILITY OF FINANCING

A constraint affecting housing costs is the cyclical nature of the housing industry. Housing production can vary widely from year to year with periods of above-average production followed by periods of below-average production. Fluctuations are common in most industries but appear to be more volatile in the homebuilding sector because of susceptibility of the industry to changes in federal fiscal and monetary policies.

One significant component to overall housing cost is financing. After decades of slight fluctuations in the prime interest rate, the 1980s saw a rise in interest rates that peaked at approximately 18.8 percent in 1982. As the decade closed and the economy weakened, the prevailing interest rate was around ten percent. The decade of the 1990s saw interest rates drop dramatically, fluctuating between six and eight percent. In the 2000s interest rates dropped substantially and currently, interest rates are around seven percent, which is an increase over the last few years. The substantial drop in the cost of fixed rate mortgages and the widespread use of adjustable rate mortgages have substantially decreased the effects of financing on the purchase of a home.

However, as creative financing (e.g., zero downpayment, short-term fixed rate, and interest only loans) allowed an increased number of households to enter homeownership, it also led to escalations in home prices and increased number of households buying beyond their financial means. Since late 2006, foreclosures have become an issue impacting many households in Southern California. According to Dataquick, foreclosures in Orange County increased 160 percent between the third quarter of 2006 and third quarter of 2007.¹¹ In Costa Mesa, at least 450 properties are undergoing foreclosure procedures.¹²

COST OF LAND

The cost of residential land has a direct impact on the cost of a new housing unit and is, therefore, a potential market constraint. The higher the land costs, the higher the price of a new unit.

According to listings on Home.com, the cost of multi-family zoned vacant land in the City of Costa Mesa in 2007 is approximately \$2,899,600 per acre or \$193,307 per unit.

The City of Costa Mesa is over 90 percent built out. Available vacant residential land will become increasingly scarce over time, especially when considering the lack of annexation opportunities. The cost of residential vacant land will continue to increase in the City of Costa Mesa and will play a role in the prices passed on to the consumer. The scarce supply of vacant land will influence residential intensification and conversion in the future.

¹¹ <http://www.DQNews.com/RRFor0707.shtm>, accessed October 29, 2007.

¹² <http://www.foreclosures.com>, accessed October 29, 2007.

COST OF CONSTRUCTION

The costs of building materials are a major cost associated with constructing a new housing unit. A reduction in amenities and the quality of building materials (above a minimum acceptability for health, safety, and adequate performance) could result in lower sales prices. In addition, prefabricated, factory-built housing may provide for lower priced housing by reducing construction and labor costs. Another factor related to construction costs is the number of units built at one time. As the number increases, overall costs generally decrease, as builders are able to take advantage of the benefits of economies of scale. This type of cost reduction is of particular benefit when density bonuses are used for the provision of affordable housing.

Product design and consumer expectations also influence the types and styles of units being constructed in this area. Today's new homes are quite different than those produced during the 1960s. Numerous interior and exterior design features (larger master bedroom suites, microwave ovens, trash compactors, dishwashers, wet bars, decorative roofing materials, exterior trim, and architectural style) make it difficult to make direct comparisons in costs over the years. In a highly competitive and sophisticated market such as Southern California, many consumers consider these "extra touches" as necessities when buying a new home. While the basic shelter or "no frills" house has met with varying degrees of consumer acceptance, the high costs of homeownership may lead to a return to less complicated designs.

CONDOMINIUM CONVERSION

As the willingness to pay rent decreases, the private market can push apartment owners toward conversion to condominiums units. A condominium conversion can be a constraint on the maintenance of affordable housing and especially impact rental units that may serve the lower income segments of the community. Recent legislation has sought to curb the effects of condominium conversions on the maintenance of housing.

The City of Costa Mesa manages condominium conversions or residential common interest development conversions through the City Zoning Code. The City recognizes condominium conversion serve as an important source of moderately priced homeownership opportunities compared to new construction. Due to the increase in conversion activities over the past few years and concern over the quality of converted units, the City Council adopted a new Condominium Conversion Ordinance on September 4, 2007. The new ordinance removed the critical rental vacancy rate as a condition for permitting conversion but included specific development standards to ensure the quality of the converted units. In addition, requirements are established for life safety, plumbing, security, refurbishing and restoration, condition of equipment and appliances, and onsite utilities. However, condominium conversion is not expected to impact the rental market significantly over the next few years due to the current credit market crisis.

5.7 OPPORTUNITIES FOR NEW RESIDENTIAL DEVELOPMENT

REGIONAL HOUSING NEEDS

State Housing Element law requires that a local jurisdiction accommodate a share of the region's projected housing needs for the planning period. This share, called the Regional Housing Needs Allocation (RHNA), is important because State law mandates that jurisdictions provide sufficient land to accommodate a variety of housing opportunities for all economic segments of the community. Compliance with this requirement is measured by the jurisdiction's ability in providing adequate land to accommodate the RHNA.

The Southern California Association of Governments (SCAG), as the regional planning agency, is responsible for allocating the RHNA to individual jurisdictions within the six-county region, including the County of Orange.¹³ The Orange County Council of Governments (OCCOG), a subregional planning organization, worked closely with SCAG to develop the RHNA for Orange County jurisdictions.

The RHNA is distributed by income category. For the 2008 Housing Element update, the City of Costa Mesa is allocated a RHNA of 1,682 units as follows:

- ◆ Extremely Low/Very Low-Income (up to 50 percent of AMI): 353 units (21.0 percent)¹⁴
- ◆ Low-Income (51 to 80 percent of AMI): 289 units (17.2 percent)
- ◆ Moderate-Income (81 to 120 percent of AMI): 330 units (19.6 percent)
- ◆ Above Moderate-Income (more than 120 percent of AMI): 710 units (42.2 percent)

The City must ensure the availability of residential sites at adequate densities and appropriate development standards to accommodate these units.

CREDITS TOWARD RHNA

Housing units constructed or permitted, or affordable at-risk units preserved since January 1, 2006 can be credited toward the RHNA for this Housing Element cycle.

Housing Units Constructed

Since January 1, 2006, a total of 185 housing units have been constructed in Costa Mesa. These include 161 single-family units (including 3 granny units), 22 multi-family units. Among these units constructed, 29 units are affordable to lower income households. These include:

¹³ Southern California Association of Governments (SCAG) covers a six-county region, including Los Angeles, Orange, Riverside, San Bernardino, Ventura, and Imperial.

¹⁴ The City has a RHNA allocation of 353 very low income units (inclusive of extremely low income units). Pursuant to new State law, the City must project the number of extremely low income housing needs based on Census income distribution or assume 50 percent of the very low income units are extremely low. According to CHAS data (based on Census data), the City had 25 percent very low income households (12.4 percent extremely low income and 12.6 percent very low income). Therefore the City's RHNA of 353 very low income units are split into 176 extremely low and 177 very low income units.

- ◆ **Newport Senior Village SRO:** This existing 71-unit SRO project for seniors completed an expansion in 2006 and added 20 SRO units for a total of 91 units. These units are deed restricted as affordable housing for very and low income seniors.
- ◆ **1925 Pomona:** The City provided redevelopment housing set-aside and HOME funds for the reconstruction of six homes by Habitat for Humanity for very low income households. The six existing homes on site were initially identified for rehabilitation and conversion to ownership housing. However, due to the substantial deteriorating conditions of the units, rehabilitation was determined to be infeasible. The units were demolished and reconstructed by Habitat for Humanity. The units were completed in early 2007.
- ◆ **Granny Units:** While these units are not deed restricted, given their requirement for senior occupancy and small unit size, these units should be affordable to low income seniors, especially these units are often occupied by senior family members rent-free.

Housing Units Preserved

Pursuant to State law, up to 25 percent of the lower income RHNA may be fulfilled with existing units when affordability is achieved through:

- ◆ Affordability covenants placed on previously non-affordable units;
- ◆ Extension of affordability covenants on affordable housing projects identified as at risk of converting to market-rate housing; and
- ◆ Acquisition/rehabilitation and deed restriction of housing units.

With a lower income RHNA of 642 units, the City of Costa Mesa may fulfill 160 lower income units (88 very low and 72 low income units) using existing housing units. The City is actively working with the owner of Bethel Towers, a 270-unit apartment complex also identified as at risk of converting to market-rate housing. In March 2007, staff conducted a study session with the City Council to discuss rehabilitation of Bethel Towers. In 2007, the City also prepared a property inspection report to determine the extent of code violations and other rehabilitation needs. A preliminary budget was prepared by the City's Fire Prevention team and the construction management consultant retained by the City. The City has also hired an engineering consultant to conduct seismic evaluation on Bethel Towers (expected to be completed in summer 2008). Based on these reports, the City will modify the preliminary budget as necessary and begin negotiation with Bethel Towers in the fall of 2008. Thus far, the City has set aside \$142,000 in FY 2007/08 CDBG funds, \$358,500 in FY 2008/09 CDBG funds, and \$262,079 in Redevelopment Housing Set-Aside funds for the Bethel Towers project. To make up any shortfall in funding, the City will apply for a Section 108 loan¹⁵ or other funding sources. In exchange, the project will extend its affordability covenant for 55 years. For the purpose of RHNA, the City can receive only the maximum 25 percent for each income category, i.e., 160 units from Bethel Towers.

¹⁵ A HUD Section 108 loan is mortgaged against the City's future CDBG allocations. HUD will provide a lump sum amount of CDBG funds, which the City will repay with future CDBG allocations over a 15- to 20-year period. Section 108 loans are intended for large-scale projects that foster economic development but affordable housing is also an eligible use.

Housing Units Approved/Under Construction

A total of 2,173 units have been approved or under construction as of the writing of this Housing Element. Key developments include:

- ◆ **Enclave:** The 890-unit Enclave development is under construction in the City of Costa Mesa. This project is comprised of 66 studio units, 468 one-bedroom units, and 356 two-bedroom units. According to rent information provided by the developer, the studio and one-bedroom units will be renting for \$1,655 and \$1,865 per month, depending on size. Specifically, 304 of these 534 studio and one-bedroom units will be renting at rates affordable to moderate income two-person households (see affordable housing costs in Table HOU-30). Rents for two-bedroom units are proposed at between \$1,876 and \$2,073 per month, depending on size. At these rent levels, 313 of the 356 two-bedroom units will be renting at rates affordable to moderate-income three-person households (see affordable housing costs in Table HOU-30). Combined, the 890-unit Enclave development is expected to offer 617 rental units affordable to moderate income households and 273 units for above moderate income households.
- ◆ **3350 Avenue of the Arts:** This project in the North Costa Mesa Specific Plan area will involve the construction of a 23-story, 120-unit high-rise residential tower in addition to the renovation of a 238-room hotel to 200 rooms.
- ◆ **580 Anton Boulevard:** This mixed use development in the North Costa Mesa Specific Plan area will include 250 residential units in two 25-story high-rise buildings and 2,350 square feet of resident serving retail uses. This project represents one of the first projects being proposed in the Urban Plan areas. Existing uses on site (21,349 square feet of marginal retail uses) are being replaced with this mixed use development.
- ◆ **585 Anton Boulevard:** This mixed use development in the North Costa Mesa Specific Plan area will include 484 residential units and 6,000 square feet of ancillary retail in two high-rise structures. Development of this project will involve the conversion of 200,950 square feet of unbuilt hotel entitlement and demolition of two existing restaurants.
- ◆ **1640 Monrovia Avenue:** This mixed use development in the Mesa West Bluffs Urban Plan area will involve the demolition of an existing industrial complex and construction of 151 residential condominiums, five live/work units, and 42,000 square feet of commercial uses. The residential units proposed are small units (primarily studios and one-bedrooms) and therefore are targeted to moderate income households.
- ◆ **1901 Newport Plaza:** This 145-unit condominium project received \$892,000 in redevelopment housing set aside funds. As part of the conditions for project approval, the developer is required to provide 12 units as housing affordable to lower and moderate income households. Specifically, seven units must be provided on site for low or moderate income households, and five units can be created off site for very low

income households if located within the Downtown Redevelopment Area (10 units if located outside the Downtown Redevelopment Area). As the units are still under construction as of the writing of this Housing Element, the income distribution of the on-site units is assumed at three low income units and four moderate income units. All five off-site units must be provided for very low income households.

Remaining RHNA

Based on units constructed, preserved, approved, or under construction, the City of Costa Mesa has already fulfilled a significant portion of its RHNA obligation. Table HOU-43 below summarizes the City's RHNA status. As shown the City has already met its RHNA requirements for moderate and above moderate income units, with a remaining RHNA of 445 lower income units (244 very low and 201 low income units).

**TABLE HOU-43
PROGRESS TOWARD RHNA SINCE 2006**

| | Extremely Low/ Very Low | Low | Moderate | Above Moderate | Total |
|--------------------------------------|--|------------|-----------------|---------------------------|--------------|
| RHNA | 353 | 289 | 330 | 710 | 1,682 |
| New Construction | 16 | 13 | --- | 154 | 183 |
| Newport Village SRO | 10 | 10 | --- | --- | 20 |
| 1925 Pomona | 6 | --- | --- | --- | 6 |
| Granny Units | --- | 3 | --- | --- | 3 |
| Other Developments | --- | --- | --- | 154 | 154 |
| Preservation² | 88 | 72 | --- | --- | 160 |
| Bethel Towers ³ (planned) | 88 | 72 | --- | --- | 160 |
| Approved/Under Construction | 5 | 3 | 807 | 1,376 | 2,191 |
| Enclave | --- | --- | 617 | 273 | 890 |
| 2013-2029 Anaheim Avenue | --- | --- | --- | 26 | 26 |
| 580 Anton Boulevard | --- | --- | --- | 250 | 250 |
| 585 Anton Boulevard | --- | --- | --- | 484 | 484 |
| 3350 Avenue of the Arts | --- | --- | --- | 120 | 120 |
| 1974 Meyer Place | --- | --- | --- | 5 | 5 |
| 1640 Monrovia Avenue | --- | --- | 156 | --- | 156 |
| 1901 Newport | --- | 3 | 4 | 138 | 145 |
| 1901 Newport (off-site) | 5 | --- | --- | --- | 5 |
| 605 Town Center Drive | --- | --- | --- | 80 | 80 |
| 372, 378, 382 Victoria Street | --- | --- | 30 | --- | 30 |
| Remaining RHNA | 244 | 201 | --- | --- | 445 |

Notes:

1. The City has a RHNA allocation of 353 very low income units (inclusive of extremely low income units). Pursuant to new State law, the City must project the number of extremely low income housing needs based on Census income distribution or assume 50 percent of the very low income units are extremely low. According to CHAS data (based on Census data), the City had 25 percent very low income households (12.4 percent extremely low income and 12.6 percent very low income). Therefore the City's RHNA of 353 very low income units are split into 176 extremely low and 177 very low income units.
2. For the purpose of RHNA, the City can receive only the maximum 25 percent for each income category, i.e., 160 units (88 very low and 72 low).
3. The City has allocated over \$100,000 in CDBG funds to provide rehabilitation assistance to Bethel Towers and anticipates seeking other funding sources once negotiations are underway. However, an agreement has not yet been signed between the City and Bethel Towers. The City anticipates reaching an agreement in 2009.

AVAILABLE SITES

Vacant and Underutilized Sites

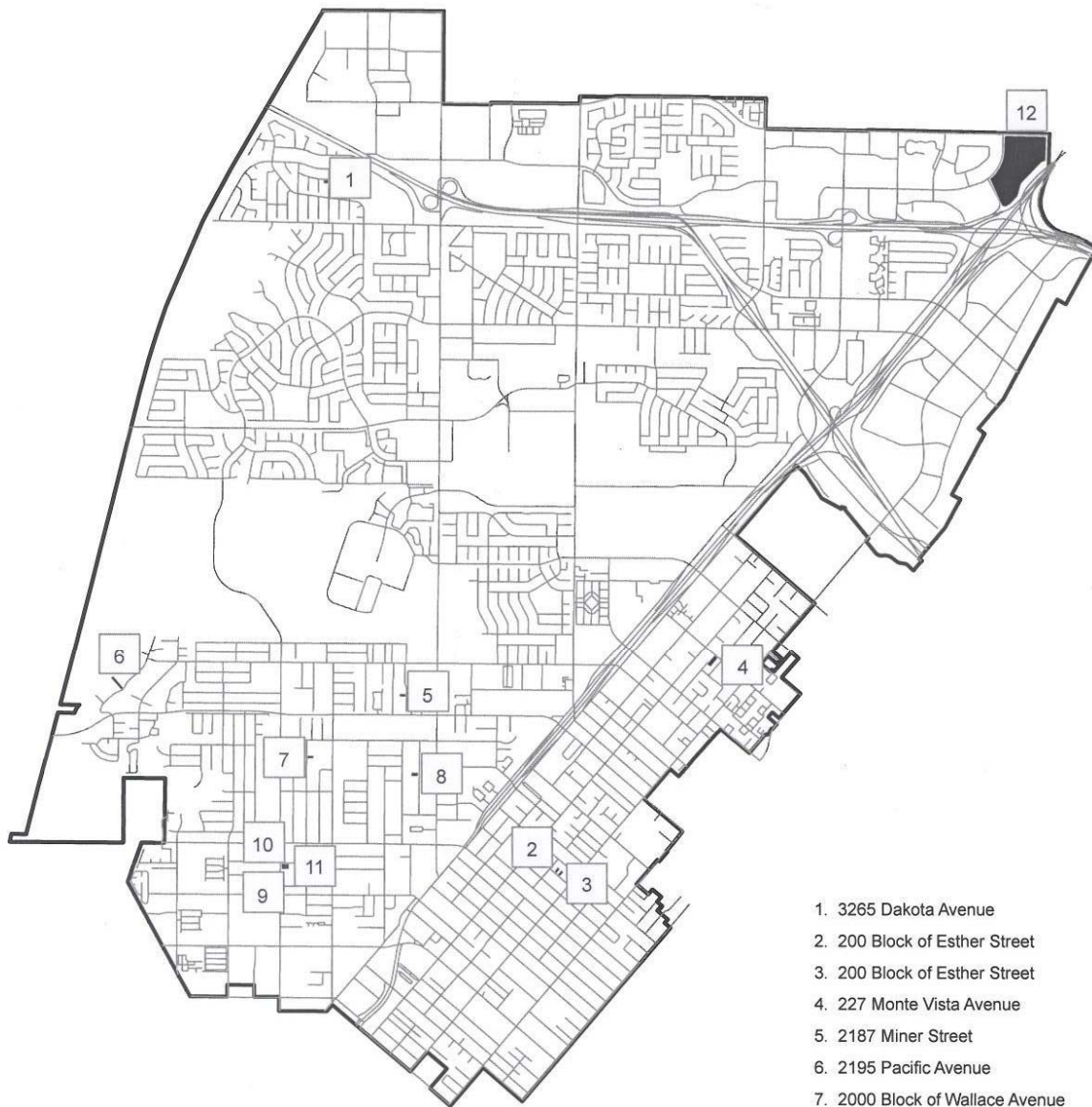
Table HOU-44 provides a list of vacant sites and Figure HOU-1 illustrates the location of vacant sites. The majority of the vacant sites in the City are small, with the exception of Sites 12. Future residential development will occur primarily in the Urban Plan, North Costa Mesa Specific Plan, and Downtown Redevelopment Project areas through the redevelopment of marginally viable uses with residential or mixed-use projects. Table HOU-45 provides a list of underutilized sites and Figure HOU-2 illustrates the location of underutilized sites. Applications for development have been filed for many of these underutilized sites identified.

Based on the rent information provided by the developer of The Enclave project, mid-rise apartment units in Costa Mesa can be a source of affordable housing for moderate income households. Several of the underutilized sites have been proposed for mid-rise residential development. These sites offer ample opportunities for additional workforce housing in Costa Mesa, exceeding the City's RHNA allocation for moderate and above moderate income households.

**TABLE HOU-44
SUMMARY OF VACANT SITES**

| | Address | Zone | GP | Permitted Density Ranges | Acreage | Capacity (Potential Use) | Additional Entitlements Required | Affordability Level |
|-----|------------------------------|-------|-----|--------------------------|---------|--------------------------|----------------------------------|---------------------|
| 1. | 3265 Dakota Ave. | R1 | LDR | 1-7 du/ac | 0.14 | 1 Unit | None | Above Moderate |
| 2. | 200 Block of Esther Street | R1 | LDR | 1-7 du/ac | 0.18 | 1 Unit | None | Above Moderate |
| 3. | 200 Block of Esther Street | R1 | LDR | 1-7 du/ac | 0.18 | 1 Unit | None | Above Moderate |
| 4. | 227 Monte Vista Avenue | R1 | LDR | 1-7 du/ac | 0.64 | 4 Units | Subdivision | Above Moderate |
| 5. | 2187 Miner Street | R2-MD | MDR | 6-12 du/ac | 0.19 | 2 Units | Development Review | Above Moderate |
| 6. | 2195 Pacific Avenue | R2-MD | MDR | 6-12 du/ac | 0.58 | 6 Units | Design Review | Above Moderate |
| 7. | 2000 Block of Wallace Avenue | R2-HD | HDR | 7-14 du/ac | 0.21 | 4 Units | Design Review | Above Moderate |
| 8. | 2029 Charle Drive | R2-HD | HDR | 7-14 du/ac | 0.32 | 6 Units | Design Review | Above Moderate |
| 9. | 1856 Placentia Avenue | R3 | HDR | 7-20 du/ac | 0.15 | 3 Units | Design Review | Above Moderate |
| 10. | 1856 Placentia Avenue | R3 | HDR | 7-20 du/ac | 0.15 | 3 Units | Design Review | Above Moderate |
| 11. | 791 Center Street | R3 | HDR | 7-20 du/ac | 0.18 | 3 Units | Design Review | Above Moderate |
| 12. | Sakioka Lot 2 | PDC | UCC | 16-20 du/ac | 33.00 | 528/660 Units | Master Plan | Moderate |

FIGURE HOU-1: VACANT SITES



1. 3265 Dakota Avenue
2. 200 Block of Esther Street
3. 200 Block of Esther Street
4. 227 Monte Vista Avenue
5. 2187 Miner Street
6. 2195 Pacific Avenue
7. 2000 Block of Wallace Avenue
8. 2029 Charle Drive
9. 1856 Placentia Avenue
10. 1856 Placentia Avenue
11. 791 Center Street
12. Sakioka Lot II



0 2,500 5,000 10,000 Feet

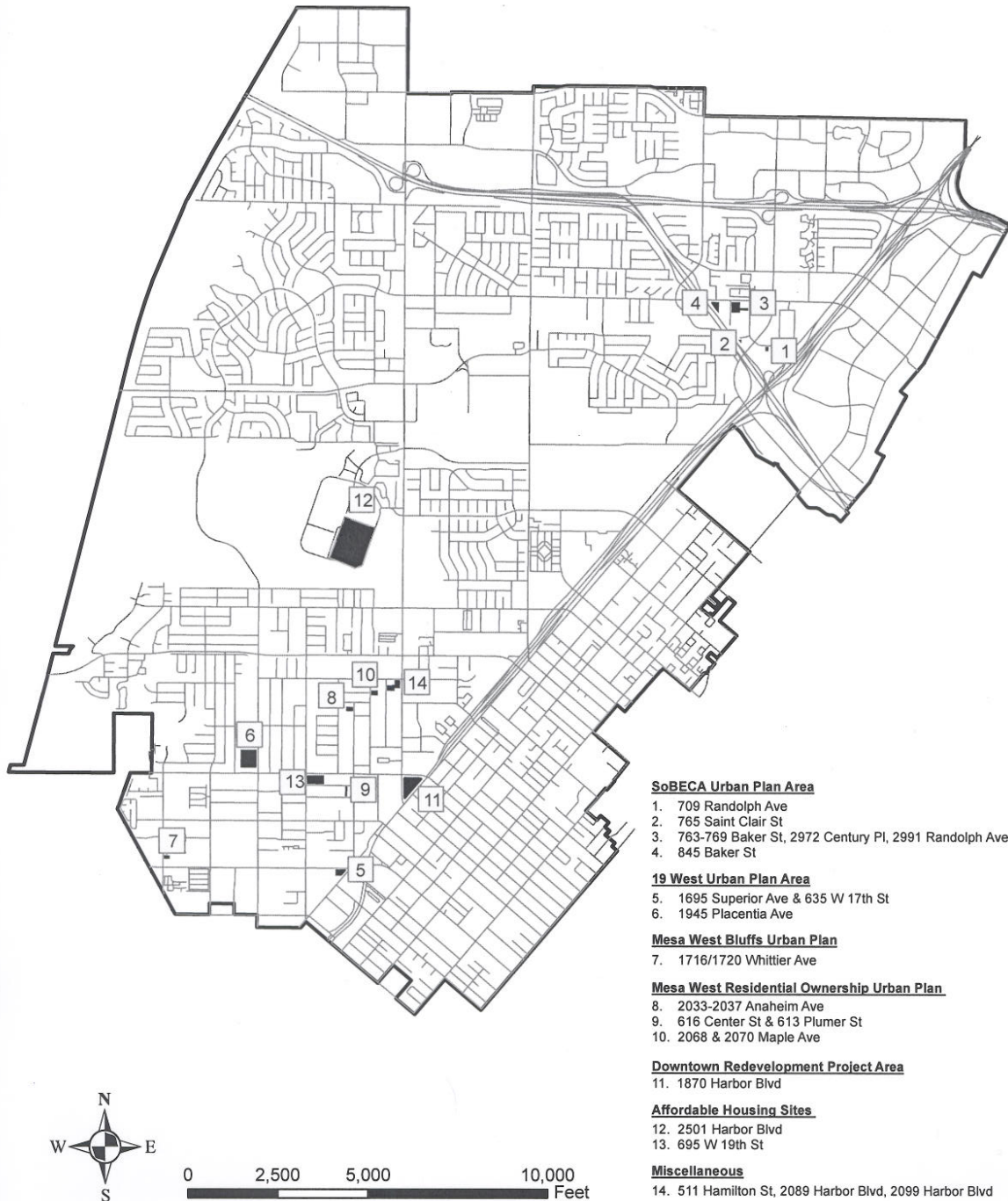
**TABLE HOU-45
SUMMARY OF UNDERUTILIZED SITES**

| | Address | Zone | GP | Acreage | Capacity (Potential Use) | Existing Use | Net Increase | Additional Entitlements Required | Affordability Level |
|------------------------------------|---|---------------------|-------|---------|--|--|-----------------|--|------------------------|
| SoBECA Urban Plan Area | | | | | | | | | |
| 1. | 709 Randolph Ave | C2/ Mixed-Use | GC | 0.23 | Demolish existing industrial building and construct ground level retail with 5 dwelling units | 3,750 sq. ft. industrial building | 5 Units | Master Plan | Above Moderate |
| 2. | 765 Saint Clair St | C2/ Mixed-Use | GC | 0.09 | Demolish existing commercial office building and construct of 4 live/work lofts | 1,120 sq. ft. commercial building | 4 Units | Master Plan | Above Moderate |
| 3. | 763-769 Baker Street, 2972 Century, 2991 Randolph | C2&MG/ Mixed-Use | GC/LI | 2.2 | Demolish existing commercial/ industrial buildings and construct 15-20,000 sq. ft. of retail and artist space and 70+ residential units | 35,380 sq. ft. in 3 commercial/industrial buildings | 70 Units | Master Plan | Above Moderate |
| 4. | 845 Baker Street | C1/ Mixed-Use | GC | 0.86 | Construction of 9 live/work units, 22 residential loft units, and the conversion of the existing 11,545 square-foot commercial building to parking garages | 11,545 square-foot commercial building | 31 | Master Plan | Above Moderate |
| 19 West Urban Plan Area | | | | | | | | | |
| 5. | 1695 Superior Avenue & 635 W. 17 th Street | C1/ Mixed-Use | NC | 1 | Demolish existing industrial building and construct 10,000 sq. ft. ground level retail space and up to 24 dwelling units | 2,300 industrial building | Up to 24 | Master Plan | Above Moderate |
| 6. | 1945 Placentia Avenue | MG/ Mixed-Use | LI | 5.34 | Demolish existing industrial buildings and construct 192 dwelling units and 26 live/work units | Industrial buildings totaling 81,566 sq. ft. | 218 | Master Plan | Above Moderate |
| Mesa West Bluffs Urban Plan | | | | | | | | | |
| 7. | 1716/1720 Whittier Avenue | MG/ Mixed-Use | LI | 0.36 | 6 live/work units | 2 dwelling units & a 2,500 sq. ft. industrial building | 4 | Master Plan | Above Moderate |

**TABLE HOU-45
SUMMARY OF UNDERUTILIZED SITES**

| | Address | Zone | GP | Acreage | Capacity (Potential Use) | Existing Use | Net Increase | Additional Entitlements Required | Affordability Level |
|---|--|------------------------------|-----|---------|--|---|-----------------|---|--------------------------|
| Mesa West Residential Ownership Urban Plan | | | | | | | | | |
| 8. | 2033-2037 Anaheim Avenue | R2H/ Ownership Overlay | HDR | 0.52 | 9 dwelling units | 8 dwelling units | 1 Unit | Master Plan | Above Moderate |
| 9. | 616 Center Street and 613 Plumer Street | R2H/ Ownership Overlay | HDR | 0.35 | 7 dwelling units | 3 dwelling units | 4 Units | Master Plan | Above Moderate |
| 10. | 2068 & 2070 Maple Avenue | R2H/ Ownership Overlay | HDR | 0.54 | 7 dwelling units | 1 dwelling unit & a school | 6 Units | Master Plan | Above Moderate |
| Downtown Redevelopment Project Area | | | | | | | | | |
| 11. | 1870 Harbor Boulevard | PDC | CC | 4.5 | Approximately 107,000 sq. ft. of retail and 120 Residential Condominiums | Approximately 185,500-square-foot, two-story retail center | 120 Units | General Plan Amendment, Rezone, & Master Plan | Above Moderate |
| Affordable Housing Sites | | | | | | | | | |
| 12. | 2501 Harbor Boulevard | I&R | P/I | 13.6 | 30 units per acre | Vacant area of Fairview Developmental Center | 170 Units | General Plan Amendment, Rezone, Master Plan Amendment | 170 Lower |
| 13. | 695 W. 19th Street | C1 | GC | 2.7 | 75 units per acre | Parking lot of 1.4- acre Senior Center | 150 units | Master Plan | 75 Lower/ 75 Moderate |
| 14. | 511 Hamilton Street, 2089 Harbor Blvd, 2099 Harbor Blvd | PDC | GC | 1.9 | Retail and office buildings and 14 residential units | 5,007 sq. ft. in 3 commercial buildings & a parking lot | 14 units | Master Plan | Moderate |

FIGURE HOU-2: UNDERUTILIZED SITES



Additional Sites in Mixed-Use Overlay Zoning Districts:

Appendix C to the Housing Element addresses the requirements of Government Code Sections 65583 and 65583.2, requiring a parcel-specific inventory of appropriately zoned, available, and suitable sites that can provide realistic opportunities for the provision of housing to all income segments within the community. Based on the State's "Building Blocks for Housing Element Analysis," Appendix C provides a comprehensive analysis of the 19 West Urban Plan area and justification for the capacity of accommodating low-income housing units.

As previously stated, there are several mixed-use overlay zones in the City. Specifically, two mixed-use overlay zone districts allow residential densities of up to 30 dwelling units per acre, as part of a mixed-use development pursuant to an approved master plan. For example, the SoBECA Urban Plan and 19 West Urban Plan areas would allow new mixed-use development composed of nonresidential and residential uses. The previous vacant and underutilized sites identified in Table HOU-44 and Table HOU-45 represent sites that either already have development proposals or development interests have been expressed by property owners. Additional redevelopment capacity exists in these areas and is discussed below. Appendix C provides a list of sites within these overlay districts that are considered underutilized by the City.

The mixed-use overlay district is intended to accomplish the following objectives:

- (a) Meet General Plan goals to create new housing opportunities in marginal commercial and industrial areas by allowing mixed-use developments that exhibit excellence in design, site planning, integration of uses and structures, and protect of the integrity of neighboring development.
- (b) Encourage mixed-use development projects that, as allowed by an adopted urban plan, combine residential and nonresidential uses, including office, retail, business services, personal services, public spaces and uses, and other community amenities as a means to revitalize a defined area in the city without exceeding the development capacity of the General Plan transportation system.
- (c) Encourage a full array of different land use types and structures, including reuse of existing structures, to create an active city life and enhance business vitality.

Density and Intensity of Mixed-Use Development

The density and intensity of mixed-use development are determined by the maximum floor-area-ratio (max. 1.0 FAR allowed) and vehicle trip generation. The 1.0 FAR and traffic analysis work in concert to ensure that new mixed-use developments, as measured by average daily trip generation, do not exceed the capacity of the circulation system. While the mixed-use overlay zones provide incentives for redevelopment, the proposed mixed-use projects are intended to be within the development capacity of the General Plan transportation system. Even given the traffic constraints, the 1.0 FAR standard may result in mixed-use development projects at residential densities of up to 30 units per acre.

Additional properties with redevelopment potential are identified in the SoBECA and 19 West Urban Plan areas. These properties are considered underutilized properties due to the fact that they represent marginal commercial properties with aging structures. Additionally, where there are existing neighborhood retail

stores and mini-markets, these uses do not fully realize the potential of the mixed-use overlay zone. The overlay zone would allow more vibrant, large-scale mixed-use development along highly-travelled corridors in the City and therefore better maximize the site's development potential.

The Urban Plan provides guidance to property owners and developers for new development and revitalization of the existing commercial and industrial development. It is anticipated that as mixed-use projects develop over time, overall vehicle trip generation will decrease when compared to more traditional commercial or high-density residential zones in the City. High density residential development at 30 units per acre may occur in these mixed-use overlay districts. However, the purpose of the overlay zones/urban plan documents is to provide a high-density residential development incentive without exceeding the development capacity of the General Plan. In fact, no additional traffic generation is proposed with the Mixed-Use Overlay District, as the General Plan traffic intensities of the base commercial zoning district would apply to proposed development.

SoBECA Mixed-Use Overlay District

The 39-acre SoBECA Urban Plan area is located south of Baker Street, east of the SR-73 Freeway, and north of the intersection of the SR-73/55 Freeways. SoBECA is an acronym for "South Bristol Entertainment and Cultural Arts" area. Approximately 28 acres of commercially-zoned property within the SoBECA mixed-use overlay district could potentially serve as future adequate sites for affordable housing, at residential densities of up to 30 units per acre as part of a mixed-use development.

Lot consolidation would likely occur to achieve critical mass of one-acre or greater sites for a successful mixed-use development. Appendix C contains a summary table of the specified parcels in the SoBECA mixed-use overlay district. The assessor parcel numbers and lot sizes of these commercially-zoned parcels are identified. Existing uses on these parcels include office buildings, bars, specialty retail stores, and neighborhood retail uses which do not fully realize the developmental potential of this district. This area is considered underutilized because existing uses do not create the active City life envisioned for mixed-use development in the Urban Plan area. Existing uses may not be able to fully realize key advantages of this project area: proximity to major transportation corridors such as Bristol Street, State-Route 73, and Interstate 405 and proximity to major commercial destinations such as The CAMP and The LAB.

Comparable to the Westside Urban Plans, the 39-acre project area for the SoBECA Urban Plan would provide realistic development opportunities for low-income housing. However, for purposes of identifying low-income units that may be generated from mixed-use development by 2014, the City makes conservative projections regarding the 19 West Urban Plan area (see following section).

19 West Mixed-Use Overlay District

Westside Costa Mesa is generally located as follows: Fairview Park and Costa Mesa Golf Course to the north, Santa Ana River to the West, City of Newport Beach to the south, and Harbor Boulevard and Superior Avenue to the east. The Westside contains approximately 1,788 acres, or 2.8 square miles of land area. There are three Urban Plans proposed in portions of the Westside: 19 West (containing 103 acres), Mesa West Bluffs (containing 277 acres), and Mesa West Residential (containing 238 acres).

The 19 West Urban Plan area consists of 103 acres of industrial, commercial, and residential uses. The plan area is located in the Westside, generally along 19th Street, Superior Boulevard, and southeast of Victoria Street and Placentia Avenue. The proposed mixed-use overlay zone would allow horizontal and vertical mixed-use development pursuant to an approved Master Plan. Live/work developments are conditional uses in this plan area.

Approximately 29 acres of commercially-zoned property within the 19 West mixed-use overlay district could potentially serve as future adequate sites for affordable housing, at residential densities of up to 30 units per acre as part of a mixed-use development. Please see the Technical Appendix for a summary table of the specified parcels in the 19 West mixed-use overlay district. The 19 West Urban Plan area is identified as a revitalization area. Existing uses on these parcels include marginal commercial uses with aging structures, bars, mini-markets, and neighborhood retail centers which do not fully realize the redevelopment potential in the mixed-use overlay zone. Mixed-use development along a major arterial such as West 19th Street could become dynamic, commercial destinations.

For purposes of identifying low-income units that may be accommodated within mixed-use areas within this planning period, the City makes a conservative projection that less than 3.5 percent of this 106-acre area may become mixed-use development with a high-density residential component at 30 units per acre. Specifically, an underutilized site identified in Appendix C may accommodate an estimated 96 lower income units in the 19 West Urban Plan by Year 2014. (Please refer to Appendix C for detailed analysis.)

Opportunities for Affordable Housing

Three areas have been identified where substantive land use changes may be anticipated by 2014. These areas provide an attainable opportunity to create affordable housing units in the community. Since a limited amount of vacant land remains in the community, future housing development in accordance with the update of the General Plan would be achieved through infill development and reuse of sites.

Fairview Developmental Center at 2501 Harbor Boulevard: Fairview Developmental Center is the newest of the State's five developmental centers officially opening on January 5, 1959. This State-owned property has a General Plan designation of Public/Institutional and is zoned Institutional & Recreational (I&R).

Originally occupying 752 acres, Fairview Developmental Center had an initial bed capacity of 2,622 and was intended to house some 4,125 residents. The actual population peaked in 1967 at 2,700 persons, and a large portion of the original land was transferred in 1979 to the City of Costa Mesa and another five-acre parcel in 2004 to Richmond American Homes. The resident population on November 28, 2007 was 563 persons. Fairview Developmental Center employs a staff of approximately 1,500. The park-like campus is surrounded on three sides by the 36-hole Costa Mesa Golf and Country Club, which is built on land sold by the State to the City of Costa Mesa.

Fairview Developmental Center is operated by the State Department of Developmental Services. Fairview is a multi-service residential facility licensed by the California Department of Health Services to provide acute, skilled, and intermediate care to individuals with developmental disabilities who need 24-hour

health care supervision, a structured environment, and a habilitation program not currently available in their home community. Services include training in daily living, vocational, leisure, academic, communication, mobility, socialization, and community skills. Services are provided both on campus and in community settings.

The State is considering residential development on the Shannon's Mountain area of Fairview Developmental Center. This ten-acre surplus parcel is generally located south/southeasterly of the main campus. A General Plan amendment to the High-Density Residential designation at a density of 30 dwelling units per acre is proposed for a total of 320 dwelling units. At a minimum, pursuant to State Law, 50 percent of this proposed residential development will comprise housing units affordable to lower and moderate income households, of which at least half must be available to very low/low income households. Given the City's affordable housing needs, the City is working with Fairview to achieve 170 very low/low income units on this site.

In addition to a General Plan amendment to a High-Density Residential land use designation and a site-specific density, a rezone of the property to Planned Development High-Density Residential (PDR-HD), master plan, and project-specific environmental review are also required.

Costa Mesa Senior Center at 695 W. 19th Street: The Costa Mesa Senior Center was built by the City of Costa Mesa in 1991. This 2.7-acre site has a General Commercial land use designation and is zoned C1 (Local Business District).

This multi-purpose Center is governed by the independent nonprofit Costa Mesa Senior Corporation. The mission of the Corporation and the Center is to maximize the quality of life among the older adult population of Costa Mesa and surrounding communities through provision of senior programs.

The City of Costa Mesa is considering high-density residential development on the existing Senior Center parking lot. This 1.4-acre area may accommodate a residential low-rise building for seniors and/or families above a parking structure. The proposed project (in concept) involves a 150-unit residential development at a density of 107 dwelling units per acre. Fifty percent of the residential development will be affordable to very low/low income households, for a total of 75 affordable units.

This proposed senior/family housing project is located in the 19 West Urban Plan area, which established a mixed-use development overlay zone. In this case, the mixed uses involve the Senior Center (institutional use) and housing (residential use). This project could be implemented pursuant to an approved master plan by the Planning Commission. A General Plan amendment or rezone is not required for this proposed project.

Conversion of Motels to SROs, FROs, and Extended Stay Units at Various Locations: The City of Costa Mesa's motel/hotel inventory includes a wide range of facilities ranging from very small travel courts constructed prior to the City's incorporation to very large newer, full-service luxury hotels. The facilities generally fall into three distinct categories: (a) full-service business hotels; (b) chain or chain-affiliated motels; and (c) independent motels.

The largest number of motels is located along the east side or northbound section of Newport Boulevard. Motels are also located along Harbor Boulevard

with clusters near the Wilson and Victoria Street intersections, Mesa Verde Drive intersection, and the San Diego Freeway interchange. The full service/business hotels are concentrated near the Bristol Street/San Diego Freeway interchange and the Town Center area.

Table HOU-46 provides a listing of the motel/hotel inventory. This table does not include the full service/business hotels such as the Marriott Suites or Westin South Coast Plaza.

There are 15 independent motels in the City with an average size of about 53 rooms. Conversion of motels into residential uses has been demonstrated by the Newport Senior Villas (SRO complex), Costa Mesa Motor Inn (94 long-term occupancy rooms), and Sandpiper Inn (19 long-term occupancy rooms).

Single-Room Occupancy (SRO) Units

The Municipal Code allows conversion of motels/hotels into SRO residential hotels pursuant to a Conditional Use Permit in the C1 (Local Business District) and C2 (General Business District) zones. A General Plan amendment or rezone application is not required to convert existing motels/hotels to an SRO hotel. It is reasonable to consider that existing independent motels or chain-affiliated motels may convert into SROs in the future. The City anticipates the conversion of one motel of average size (53 rooms) to residential use over the next five years. A program is included in this Housing Element to promote the conversion of at least one motel of average size to SRO units.

**TABLE HOU-46
HOTEL/MOTEL FACILITIES**

| Description | Number of Rooms |
|--------------------------------|-----------------------|
| Chain/Affiliated Motels | |
| Countryside Inn/suites | 291 |
| Travelodge - JWA Airport | 120 |
| Motel 6 | 96 |
| Super 8 Motel | 72 |
| Vagabond/Costa Mesa Inn | 133 |
| Travelodge / Hacienda Inn | 60 |
| Days Inn | 31 |
| Comfort Inn | 54 |
| Best Western Newport Mesa Inn | 96 |
| La Quinta Motor Inn | 138 |
| Ramada Ltd. | 140 |
| Marriott Residence Inn | 144 |
| | Subtotal: 1,375 rooms |
| Independent Motels | |
| Cozy Inn | 38 |
| Harbor Bay Motel | 48 |
| New Harbor Motel | 33 |
| Costa Mesa Motor Inn | 236 |
| Inn at Costa Mesa | 50 |
| Ana Mesa Inn | 51 |
| Sandpiper Inn | 55 |
| Newport Bay Inn | 60 |
| Tern Inn | 13 |
| Sunshine Hotel | 42 |
| Sea Lark Motel | 40 |
| Coast Motel | 11 |
| Regency Inn | 54 |
| Star Inn | 33 |
| Tahiti Inn | 25 |
| | Subtotal: 789 rooms |
| TOTAL | 2,164 rooms |

Family Residential Occupancy (FRO) Units

In addition to Single Room Occupancy (SRO) units, Family Residential Occupancy (FRO) units are a type of affordable housing produced from the conversion of motel rooms to apartments. The FRO units are created by combining two or more motel units and making necessary structural alterations.

Common walls are removed to create larger one or two-bedroom suites. The FRO units may include two to three beds, a kitchenette with a refrigerator, cooking range, and microwave. The original motel bathrooms feature full bathrooms with a combination bath tub or shower, and these bathrooms will likely remain in place within the FRO unit. The FRO units would offer affordable rents compared to other traditional apartments because they would be smaller in size and may not offer a full range of amenities that one may find in an apartment complex (i.e. swimming pool, tennis courts, fitness facilities).

This housing type provides another option for small families that cannot afford market-rate apartments. These FRO units may provide affordable housing to

single parent households, single female head-of-households, or other special needs households with three to four members.

The City may encourage the conversion of motels into SRO and FRO units to meet the demand for affordable housing by single-parent households or small families. The City may waive the conditional use permit fee for these types of development applications and also allow increased flexibility with integration SRO and FRO units within in the same motel complex. Because these affordable units would provide rental housing and not ownership housing, the payment of park impact fees is not required.

Extended Stay Units

The City recognizes a need to use motel/hotel rooms as a housing alternative for extended stay. The City of Costa Mesa Zoning Code allows by right (without a conditional use permit) a specified number of motel rooms to serve as extended stay dwellings. A maximum 25 percent of the total number of rooms in each motel in the City may be rented to persons whose occupancy exceeds 28 consecutive days or 28 days in any 60-consecutive-day period. This provision does not apply to those motel rooms (maximum two units) designated for occupancy by paid employees. The extended stay units provide alternative affordable housing choices.

A total of 789 motel rooms from chain and independent motel operators may be converted to SROs, FROs, or extended stay units. The City projects that about 20 percent of this motel inventory may become alternative long-term housing options to low/very low income households. This amounts to approximately 78 SRO, FRO, or extended stay units by Year 2014. Given that the Newport Senior Villas currently contributes 91 SRO units to the City's housing stock, this projection is considered reasonable.

ABILITY TO ACCOMMODATE THE RHNA

Based on units constructed, preserved, under construction, and approved, as well as vacant and underutilized sites available, the City of Costa Mesa is able to fully accommodate its RHNA (see Table HOU-47).

**TABLE HOU-47
SUMMARY OF RHNA STATUS**

| | Extremely Low/ Very Low | Low | Moderate | Above Moderate | Total |
|--|-------------------------------|------------|--------------|-------------------|--------------|
| RHNA | 353 | 289 | 330 | 710 | 1,682 |
| Constructed | 16 | 13 | --- | 154 | 183 |
| Preserved (Completed or Planned) | 88 | 72 | --- | --- | 160 |
| Units Approved/Under Construction | 5 | 3 | 807 | 1,376 | 2,191 |
| Vacant Sites (Table HOU-44) | --- | --- | 528 | 34 | 562 |
| Underutilized Sites (Table HOU-45) | 122 | 123 | 89 | 487 | 821 |
| SRO/FRO Units | 80 | 80 | --- | --- | 160 |
| Additional Capacity in 19 West Urban Plan (Appendix C) | 96 | --- | --- | --- | 96 |
| TOTAL CAPACITY | 407 | 291 | 1,424 | 2,051 | 4,155 |

ENERGY CONSERVATION, GREEN BUILDINGS, AND SUSTAINABLE RESOURCES

CITY PROGRAMS

The City of Costa Mesa recognizes the urgent need for regional energy conservation. Conservation at average consumer level can be accomplished by reducing the use of energy-consuming items, or by physically modifying existing structures and land uses. Current state requirements such as Title 24 of the California Administrative Code, with specifications relating to insulation, glazing, heating and cooling systems, water heaters, swimming pool heaters, and several other items require the minimum standards. The City of Costa Mesa has far exceeded the minimum standards by inclusion of conservation measures in the City's General Plan Conservation Element, creating zoning districts promoting urbanized and sustainable development by adoption of urban plans and, in day to day building permit and construction operation by creation of the Costa Mesa Build Green Programs. Each of these policies and programs are discussed in detail as follows.

At the land use and policy level, the General Plan Conservation Element encourages uses of alternative energy sources and passive and active solar energy such as:

- 1) Passive solar energy referring to the design of buildings to take maximum advantage of the sun for heating and cooling through appropriate use of windows, overhangs and other shading devices, building materials, and landscaping.
- 2) Active solar energy involving the use of solar collectors and related plumbing and mechanical facilities to heat water, building interiors, or swimming pools.

Urban Plans Promote Sustainable Communities and Green Technology

The City of Costa Mesa recognizes that land use policies could have a direct affect on sustainable development and consequently consumption of energy for transportation. Concentration of higher density housing and employment centers along major transportation corridors increases the convenience of public transit and may encourage reduced use of private automobiles with a corresponding reduction in vehicular fuel consumption.

In an effort to promote revitalization of older industrial properties and provide more housing opportunities, the City of Costa Mesa adopted three urban plans as land use/zoning tools for the west side that promote integrated or mixed-use developments and offer the opportunity for people to live within walking distance of employment and/or shopping and services. The urban plans are intended for more intense land uses compatible with the urban nature of the surroundings and allow for development up to 1.0 Floor Area Ratio (FAR) within the capacity of the General Plan.

Build Green Program

In 2007, the City formed a task force to take a closer look at sustainable building design, which included features and technologies that can help conserve energy consumption. The Costa Mesa "Green Team" was established to evaluate the feasibility of integrating sustainable building techniques in new publicly and

privately developed projects as well as major retrofits. Task force members were comprised of various City staff members as well as representatives of the community met to formulate a policy, which was approved by the City Council on September 4, 2007.

The Build Green policy afforded the following incentives for green development:

- 1) A fee waiver program for remodeling and upgrading existing residential structures such as installation of solar or tankless water heaters, replacement of HVAC equipment with Energy efficient units, installation of cool roofs, and reroofs with Class A assembly. The fee waiver ranges from \$50 for installation of a tankless water heater to \$800 for Energy Star certification of existing structures and could go up to \$30,000 for LEED certification of new construction.
- 2) A rebate program for projects with Green certification (i.e., CA Green Builder, LEED, and GreenPoint Rated). The comprehensive Build Green is an annual program that will be included in the upcoming 2008-2009 budget for reconsideration of the City Council.

Under the umbrella of the Green Building program, City Departments are also enforcing various local policies and programs toward common goals to minimize impacts to the environment and improve quality of life. Examples of the program include the Energy Star Program implemented since 2002, enforcing the 3rd term NPDES permit, various goals and implementation policies in the City's General Plan such as: Land Use, Open Space, Transportation, and Conservation Element. The Conservation Element in particular notes the detailed methods of passive and active solar energy as alternate energy sources.

Citywide Landscape Design Ordinance

The City will continue to implement the citywide landscape design ordinance, which encourages use of plant materials suitable for soil and climate conditions and plant selection that are drought tolerant plants and require low-flow irrigation systems. The ordinance also requires landscape maintenance practices which foster long-term water conservation such as performing routine irrigation system repair and adjustments, scheduling irrigation based on the California Irrigation Management Information System, use of moisture-sensing or rain shut-off devices, and conducting water audits.

COLLABORATIVE EFFORTS

Water and Energy Conservation

The City's water/sewer service provider, Mesa Consolidated Water District, implements the Ultra-Low Flush Toilet Rebate Program and other water conservation programs. The district provides monthly newsletters highlighting water conservation and the current California water crisis. As a public education service, the Water District has recently planted a Demonstration Garden as an example and resource to demonstrate reducing outdoor water usage, and protecting natural resources. The City will continue collaborative efforts with the water district to promote water conservation and public awareness. A link to these programs are provided on the City's website.

Southern California Edison (SCE) Conservation Programs

The City will continue to cooperate with SCE for disseminating public information about SCE energy conservation programs. This information is currently provided under the City's website.

In addition to the noted efforts by the utility providers, public awareness bulletins and articles are regularly included in the Costa Mesa Community News as part of City's effort to encourage energy conservation and to offer information on build green incentives and programs.

5.8 GOALS, POLICIES, AND PROGRAMS

Costa Mesa's housing goals concentrate on five specific aspects of the housing market. Goals are provided to address each of these issues, and policies are developed to support and implement each goal. The five priorities are:

- ◆ Preserving and enhancing existing housing and neighborhoods;
- ◆ Preserving affordability;
- ◆ Providing adequate sites;
- ◆ Providing adequate housing opportunities and accessibility for all segments of the community; and
- ◆ Encouraging coordination and cooperation.

FRAMEWORK FOR IMPLEMENTATION

Prior to the development of a program-specific housing strategy, it is necessary to establish the relative priorities of the identified housing needs and to assess the nature and extent of the City's existing housing programs.

The process of prioritizing housing needs involves the identification of target households and neighborhoods as well as a preliminary analysis of the most appropriate housing programs and/or resources to meet these needs.

TARGET HOUSEHOLDS AND NEIGHBORHOODS

High construction costs, coupled with the diminishing availability of vacant land, limit the large scale expansion of the housing stock. Preservation and enhancement of the City's existing neighborhoods is vital to the maintenance of a viable urban community.

In particular, target neighborhoods have: 1) significant concentrations of low- and moderate-income persons, or blighted and deteriorated housing; and 2) community development needs in terms of housing, public facilities, and public improvements. As such, these neighborhoods should be targeted for housing programs/assistance.

Currently, there are several target neighborhoods identified throughout the southwest section of the City. Specific Plans have been created to address these neighborhoods such as the SoBeca Urban Plan, the Westside Implementation Plan, Newport Boulevard Specific Plan, and the North Costa Mesa Specific Plan, all discussed previously.

GOALS AND POLICIES

GOAL HOU-1: PRESERVATION AND ENHANCEMENT

It is the goal of the City of Costa Mesa to preserve the availability of existing housing opportunities and to conserve as well as enhance the quality of existing dwelling units and residential neighborhoods.

POLICIES HOU-1:

- HOU-1.1 Develop standards and/or guidelines for new development with emphasis on site (including minimum site security lighting) and building design to minimize vulnerability to criminal activity.
- HOU-1.2 Protect existing stabilized residential neighborhoods, including but not limited to mobile home parks and manufactured home parks, from the encroachment of incompatible or potentially disruptive land uses and/or activities.
- HOU-1.3 Actively enforce existing regulations regarding derelict or abandoned vehicles, outdoor storage, and substandard or illegal buildings and establish regulations to abate weed-filled yards when any of the above is deemed to constitute a health, safety or fire hazard.
- HOU-1.4 Establish code enforcement as a high priority and provide adequate funding and staffing to support code enforcement programs.
- HOU-1.5 Provide financial assistance to homeowners in existing owner-occupied residences within the Redevelopment Area to use for the rehabilitation of their property.
- HOU-1.6 Install and upgrade public service facilities (streets, alleys, and utilities) to encourage increased private market investment in declining or deteriorating neighborhoods.
- HOU-1.7 Continue existing rehabilitation loan and grant programs for low and moderate-income homeowners and rental property landlords as long as funds are available.
- HOU-1.8 Minimize the displacement of existing residences due to public projects.
- HOU-1.9 Encourage the development of housing that fulfills specialized needs.

GOAL HOU-2: PRESERVING AND EXPANDING AFFORDABLE HOUSING OPPORTUNITIES

It is the goal of the City of Costa Mesa to provide a range of housing choices for all social and economic segments of the community, including housing for persons with special needs. This goal can be achieved by implementing the following policies:

- HOU-2.1 Encourage concurrent applications (i.e., rezones, tentative tract maps, conditional use permits, variance requests, etc.) if multiple approvals are required, and if consistent with applicable processing requirements.
- HOU-2.2 Promote the use of State density bonus provisions to encourage the development of affordable housing for lower and moderate income households, as well as senior housing.
- HOU-2.3 Provide incentive bonus units to encourage the redevelopment of residential units that are nonconforming in terms of density. The incentive shall be limited to the multi-family residential land use designations. The density incentive shall be limited to an increase of 25 percent above Medium-Density or an increase of 50 percent above High-Density. In no case shall the resulting number of units exceed the existing number of units on each site.
- HOU-2.4 Encourage developers to employ innovative or alternative construction methods to reduce housing costs and increase housing supply.
- HOU-2.5 Continue membership in the Orange County Housing Authority to provide housing assistance to very low income households.
- HOU-2.6 Provide clear rules, policies, and procedures, for reasonable accommodation in order to promote equal access to housing. Policies and procedures should be ministerial and include but not be limited to identifying who may request a reasonable accommodation (i.e., persons with disabilities, family-members, landlords, etc.), timeframes for decision-making, and provision for relief from the various land-use, zoning, or building regulations that may constrain the housing for persons of disabilities.
- HOU-2.7 Monitor the implementation of the jurisdiction's ordinances, codes, policies, and procedures to ensure they comply with the "reasonable accommodation" for disabled provisions and all fair housing laws.

GOAL HOU-3: PROVISION OF ADEQUATE SITES

It is the goal of the City of Costa Mesa to provide adequate, suitable sites for residential use and development or maintenance of a range of housing that varies sufficiently in terms of cost, design, size, location, and tenure to meet the housing needs of all segments of the community at a level that can be supported by infrastructure. This goal can be achieved by adhering to the following policies.

- HOU-3.1 Encourage the conversion of existing marginal or vacant commercial and/or industrial land to residential, where feasible and consistent with environmental conditions that are suitable for new residential development.
- HOU-3.2 Provide opportunities for the development of well planned and designed projects which, through vertical or horizontal integration, provide for the development of compatible residential, commercial,

industrial, institutional, or public uses within a single project or neighborhood.

HOU-3.3 Cooperate with large employers, the Chamber of Commerce, and major commercial and industrial developers to identify and implement programs to balance employment growth with the ability to provide housing opportunities affordable to the incomes of the newly created job opportunities.

HOU-3.4 Consider the potential impact on housing opportunities and existing residential neighborhoods when reviewing rezone petitions affecting residential properties.

**GOAL HOU-4:
EQUAL HOUSING OPPORTUNITY**

It is the goal of the City of Costa Mesa to ensure that all existing and future housing opportunities are open and available to all social and economic segments of the community without discrimination on the basis of race, color, religion, sex, national origin or ancestry, marital status, age, household composition or size, or any other arbitrary factors.

HOU-4.1 Support the intent and spirit of equal housing opportunities as expressed in the Civil Rights Act of 1886, Title VII of the 1968 Civil Rights Act, California Rumford Fair Housing Act, and the California Unruh Civil Rights Act.

HOU-4.2 Continue to provide fair housing and counseling services for all Costa Mesa residents in an effort to remove barriers and promote access to affordable housing in the City.

HOU-4.3 Encourage programs that address the housing needs of senior citizens.

HOU-4.4 Encourage and support the construction, maintenance and preservation of residential developments which will meet the needs of families and individuals with specialized housing requirements.

**GOAL HOU-5:
COORDINATION AND COOPERATION**

It is the goal of the City of Costa Mesa to coordinate local housing efforts with appropriate federal, state, regional, and local governments and/or agencies and to cooperate in the implementation of intergovernmental housing programs to ensure maximum effectiveness in solving local and regional housing problems.

HOU-5.1 Investigate alternative intergovernmental arrangements and program options to deal with area-wide housing issues and problems.

IMPLEMENTING PROGRAMS

PRESERVATION AND ENHANCEMENT

1. Single-Family Rehabilitation Loan Program

This program is designed to assist qualified property owners to improve single-family properties. Eligible improvements include, but not limited to, health and safety code items such as plumbing, electrical, roofing, etc. Room addition to correct overcrowding issues is also an eligible activity under this program. The program offers deferred payment loans at zero-percent interest that is fully deferred until sale or refinance of the property. Maximum loan-to-value is 85 percent of the current market value. City staff will encourage the participation of seniors in this program. However, this program has a waiting list of two years, based on limited funding available. Qualified emergency repairs are given priority for funding.

2008-2014 Objectives: Assist 10 households annually for a total of 60 households (15 extremely low income, 20 very low income, and 25 low income)

Funding Sources: HOME; Redevelopment Housing Set-Aside

Responsible Agencies: City Manager/Housing and Community Development Division

2. Neighborhood Improvement Grant Program

Small grants are available to assist with property improvements for both income-qualified single-family property owners and mobile home owners. City staff will encourage the participation of seniors in this program. This program also has a waiting list of two years due to funding limitation and qualified emergency repairs are given priority.

2008-2014 Objectives: Assist 30 households annually for a total of 180 households (60 extremely low income, 60 very low income, and 60 low income)

Funding Sources: HOME; Redevelopment Housing Set-Aside

Responsible Agencies: City Manager/Housing and Community Development Division

3. Neighborhood Clean Up

The City of Costa Mesa, the Orange County Fair Grounds, and the Volunteer Center of Orange County join forces to sponsor semi-annual "Neighbors for Neighbors" community clean-up days. The program uses volunteers to assist low income seniors in cleaning up their homes.

2008-2014 Objectives: Assist 10 households annually for a total of 60 households (30 extremely low income and 30 very low income)

Funding Sources: CDBG

Responsible Agencies: City Manager/Housing and Community Development Division

4. Mobile Home Park Preservation

The City preserves mobile homes as an affordable housing resource through two strategies. Specifically, the City provides financial assistance to eligible owner-occupants to rehabilitate existing dwelling units through deferred payment low-interest loans. A Mobile Home Park Conversion Permit should be obtained as a prerequisite to the conversion of an existing mobile home park or manufactured housing park. The conditions shall include a provision for reasonable relocation assistance when the park is converted to a commercial or industrial use.

2008-2014 Objectives: Rehabilitation objectives are included under Program 2, Neighborhood Improvement.

Funding Sources: CDBG

Responsible Agencies: City Manager/Housing and Community Development Division; Development Services Department/Planning Division

PRESERVING AND EXPANDING AFFORDABLE HOUSING OPPORTUNITIES

5. Incentives for Affordable Housing

The City will continue to pursue funding, partner with nonprofits and provide incentives (i.e., density bonuses, fee reduction, etc.) to developers that agree to reserve a portion of the project units for very low, low, or moderate income households (common interest developments only), or for seniors. The City will also defer payment of fees for affordable housing projects upon certificate of occupancy.

2008-2014 Objectives: Promote the use of density bonus incentives and deferral of fees for affordable housing projects, including but not limited to, the Urban Plan areas, in North Costa Mesa Specific Plan area, and in the Downtown Redevelopment Project Area. Density bonus information is available on the City's website and at the public counter and will be provided to developers of projects in the Urban Plan areas, North Costa Mesa Specific Plan area, and Downtown Redevelopment Project Area. Specifically, the City will utilize density bonus and other incentives to facilitate affordable housing development at the Fairview Developmental Center site, the Senior Center site and other sites to be identified consistent with affordability and capacity assumption in Section 5.7.

The City will meet with developers, including nonprofits and community stakeholders and establish a strategy by December 2009 for promoting new construction of rental units affordable to lower income families in the Urban Plan Areas. As part of the strategy, the City will target a range of local, state and federal resources (administrative and financial) and annually identify potential projects/developers to partner and apply or support applications for funds from State and Federal programs, especially new construction for families. The City will consider a variety of ways to assist in the development of 100 rental units affordable to lower income families in the Urban Plan Areas, including the identification of suitable sites, promoting acquisition and assemblage, priority processing and facilitating entitlements and incentives beyond density bonuses pursuant to Government Code Section 65915.

Funding Sources: Department/Division budget provided by General Fund, Redevelopment Set-aside Funds, State Department of Housing and Community Development Funds, Low Income Housing Tax Credits and CalHFA

Responsible Agencies: Development Services Department/Planning Division

6. Second Units and Granny Flats

Second units in Costa Mesa are permitted as accessory apartments and granny units. Due to the small lot sizes and built out character of the City, opportunities for second units are limited. Nevertheless, second units offer affordable housing opportunities for lower and moderate income households. During the past few years, about two granny units were constructed each year.

2008-2014 Objectives: Promote the use of accessory apartments and second units by providing information on the City's website and at public counters.

Funding Sources: Department/Division budget provided by General Fund

Responsible Agencies: Development Services Department/Planning Division

7. Federal/State Housing Programs

The City will provide technical assistance to developers, nonprofit organizations, or other qualified private sector interests in the application and development of projects using Federal and State housing programs/grants.

2008-2014 Objectives: Encourage private sector to utilize available Federal and State housing programs to increase the supply of extremely low, very low, low and moderate income housing. If proposed projects are consistent with the vision, goals, and objectives of the City's General Plan and other planning documents that guide residential development, the City will provide letters of support for funding applications. In 2008, the City will finalize the budget for Bethel Towers. As necessary, the City will apply for either a HUD Section 108 loan or funding from HCD to help preserve the at-risk units at Bethel Towers. In conjunction with potential affordable housing projects in the City (e.g. at the Fairview Developmental Center and the Senior Center), the City will pursue affordable housing funds from HCD to leverage local resources. Annually, the City will contact nonprofit housing developers to explore potential affordable housing projects and funding possibilities.

Funding Sources: Department/Division budgets provided by General Fund

Responsible Agencies: City Manager/Housing and Community Development Division

8. Rental Housing Assistance

The City will continue to participate in the Orange County Housing Authority's Housing Choice Vouchers program to provide rent subsidies to very low income households.

2008-2014 Objectives: Continue to provide assistance to 463 very low income households in the City. Continue to promote the use of Housing Choice vouchers by providing program information on City website and at public counters. Encourage property owners to accept Housing Choice Vouchers.

Funding Sources: HUD Section 8 Housing Choice funds administered by the Orange County Housing Authority

Responsible Agencies: Orange County Housing Authority and City Manager/Housing and Community Development Division

9. First-Time Homebuyer Assistance

Costs Mesa assists moderate income homebuyers through its Homebuyer Assistance Loan program. This program provides a sizable second mortgage to income qualified homebuyers to purchase a home in the City. Loans are made on a deferred payment, shared appreciation basis.

2008-2014 Objectives: Assist a total of 8 households (8 moderate income)

Funding Sources: Redevelopment Housing Set-Aside

Responsible Agencies: City Manager/Housing and Community Development Division

10. First-Time Homebuyer New Construction and Acquisition/Rehabilitation

The City will work with qualified developers to develop ownership housing affordable to low and moderate income households. The City will pursue acquisition/rehabilitation opportunities where the City would acquire underutilized properties for construction of affordable ownership housing by qualified developers. The City will also provide first-time homebuyer loans that include rehabilitation costs to target less expensive homes and reduce slums and blight.

2008-2014 Objectives: Monitor properties available in the community and pursue funding alternatives to implement program.

Funding Sources: Redevelopment Housing Set-Aside; HOME

Responsible Agencies: City Manager/Housing and Community Development Division; Development Services Department/Planning Division

11. Preservation of At-Risk Housing

Two projects at risk of converting to market-rate housing between 2008 and 2018: 75-unit Casa Bella senior housing project and 270-unit Bethel Towers. The City has identified Bethel Towers as a key project to pursue over the next two years. Redevelopment housing set-aside funds have been allocated to provide rehabilitation and conservation improvements to Bethel Towers in exchange for an extension of the affordability covenant. Preservation of Bethel Towers would benefit many seniors with extremely low and very low incomes.

2008-2014 Objectives: Monitor at-risk status of Casa Bella and work with HUD and property owner to extend the affordability covenant on this project. Notify tenants of potential risk of conversion at least one year prior to conversion. Undertake the following activities in preserve the affordability of the 270-unit Bethel Towers and 75-unit Casa Bella senior housing project.

Specifically, the City shall comply with the State's guidance in determining whether the provisions of Government Code Section 65583.1(c) can be used to address the adequate sites program requirement.

- ♦ City public hearings to establish that the units were eligible and were reasonably expected to convert to market rate units. The City conducted

several public hearings regarding Bethel Towers. On May 1, 2007, City Council approved Resolution No. 07-44 which included Bethel Towers in the Annual Action Plan with \$142,027 of funding designated for improvements to the eligible low-income facility for seniors. In February 2008, Council held a study session for the Draft Housing Element On May 6, 2008, which identified Bethel Towers as an at-risk preservation project. On May 6, 2008, City Council considered that the affordability covenants on Bethel Towers which were scheduled to expire in January 1, 2017. Council approved Resolution No. 08-34 approving an additional \$385,000 in HOME funds for the FY 2008-2009 CDBG/HOME budget for Bethel Towers. On May 13, 2008, the Costa Mesa Redevelopment Agency adopted Resolution No. 01-2008 approving the RDA budget for FY 2008/08. Council included \$262,079 in redevelopment low/moderate set-aside funds to be allocated for Bethel Towers.

The City Council will also conduct a public hearing in the Fall of 2008 to reaffirm the at-risk status of Bethel Towers and its eligibility for receiving RHNA credits under Housing Element Law.

- ◆ Funding will be sufficient to develop the identified units at affordable rents by Fall 2008. City will establish a funding plan in 2008 to augment the \$762,579 already set aside for extending the affordability covenant on the 270-unit Bethel Towers and begin negotiation with owners of Bethel Towers in the Fall of 2008.
- ◆ Additional funding will be pursued to maintain the units as decent, safe, and sanitary upon occupancy. Pursue a Section 108 loan or other funding sources as necessary in 2008/2009 to augment funding already set aside for Bethel Towers. Complete rehabilitation and preservation of Bethel Towers is anticipated to occur by June 30, 2012.
- ◆ A legally enforcement agreement with Bethel Towers will be executed by June 30, 2010. This agreement serves to rehabilitate and preserve the 270 units as housing affordable to lower income seniors.

Funding Sources: Redevelopment Housing Set-Aside; HOME; Section 108 Loan

Responsible Agencies: City Manager/Housing and Community Development Division

12. Single-Room Occupancy (SRO), Family Residential Occupancy (FRO), Extended Stay Units

SRO hotels offer basic, safe housing to the working poor, homeless, seniors, and students, i.e. households with extremely low and very low incomes. The City encourages the development of SRO hotels in commercial areas. As funding permits, the City will provide financial assistance and offer zoning reliefs to facilitate the new construction and/or conversion of existing motels into SRO hotels.

Motel rooms may also be converted into Family Residential Occupancy (FRO) where two or three motel rooms may be merged to create units that can accommodate single-parent or other small families.

The City would also promote the conversion of motel rooms into extended stay units. Up to 25 percent of the rooms at a motel establishment may be converted to extended stay units without a conditional use permit.

The City will establish a SRO/FRO program for projects involving the conversion of an existing motel/hotel use into a residential use for single-room occupancy or family-residential occupancy units. This program would provide development incentives to encourage these conversions. This program may also include the deferral of fee payment upon certificate of occupancy, rather than prior to building permit issuance to reduce developer construction financing costs and overall development costs for housing affordable to extremely low/lower-income and female head of households.

2008-2014 Objectives: Maintain a list of existing motels with potential for conversion into SRO, FRO, or extended stay units in 2009 and make list available to interested affordable housing developers. Promote the conversion of motel rooms into 170 SRO or FRO units by adopting development incentives in 2009. The City may defer payment of fees until certificate of occupancy and also allow increased flexibility with integration SRO and FRO units within in the same motel complex.

Funding Sources: Redevelopment Housing Set-Aside; HOME

Responsible Agencies: City Manager/Housing and Community Development Division

13. Supportive Services for Persons with Special Needs

The City recognizes certain segments of the population require additional assistance to secure decent housing and supportive services. Special needs groups in Costa Mesa include: seniors, persons with disabilities, homeless and at-risk homeless, and low income families (including large households, female-headed households).

Through the annual action plan process for the CDBG program, the City evaluates the needs of various special needs groups and allocation CDBG Public Service dollars accordingly. The City will continue to expend CDBG funds in a manner that addresses local needs and augments the regional continuum of care system in Orange County.

2008-2014 Objectives: Conduct needs assessment through the annual planning and performance review processes of the CDBG program. Through the CDBG Request for Proposal process, identify service gaps and prioritize funding allocations. Provide public service grants to:

- ◆ Support emergency shelters for 30 persons annually (180 persons total)
- ◆ Support senior services for 600 seniors annually (3,600 seniors total)
- ◆ Provide employment training, housing, and other services for 100 persons with disabilities (600 persons total)
- ◆ Provide supportive services for 20 low income persons at risk of homelessness annually (120 persons total)

Funding Sources: CDBG

Responsible Agencies: City Manager/Housing and Community Development Division

14. Reasonable Accommodation Ordinance

The City will amend its reasonable accommodation ordinance to provide exception in zoning and land use for housing for persons with disabilities. This procedure will be a ministerial process, with minimal or no processing fee, subject to approval by the Development Services Director applying the following decision-making criteria:

1. The request for reasonable accommodation will be used by an individual with a disability protected under fair housing laws.
2. The requested accommodation is necessary to make housing available to an individual with a disability protected under fair housing laws.
3. The requested accommodation would not impose an undue financial or administrative burden on the City.
4. The requested accommodation would not require a fundamental alteration in the nature of the City's land use and zoning program.

2008-2014 Objectives: Adopt Zoning Code Amendment by December 2008.

Funding Sources: Department/Division budget provided by General Fund

Responsible Agencies: Development Services Department/Planning Division

15. Fee Deferral for Reasonable Accommodation and Affordable Housing

The City will establish a Fee Deferral program for projects requesting Reasonable Accommodation or for affordable housing projects. This program would allow payment of fees upon certificate of occupancy, rather than prior to building permit issuance to reduce developer construction financing costs and overall development costs for housing affordable to lower-income households.

2008-2014 Objectives: Establish Fee Deferral Program by December 31, 2008.

Responsible Agencies: Development Services Department/Planning Division

Funding Sources: General Fund

16. Build Green Program

In 2007, the City formed a task force to take a closer look at sustainable building design, which included features and technologies that can help conserve energy consumption. The Costa Mesa "Green Team" was established to evaluate the feasibility of integrating sustainable building techniques in new publicly and privately developed projects as well as major retrofits. The Build Green policy afforded the following incentives for green development:

1. A fee waiver program for remodeling and upgrading existing residential structures such as installation of solar or tankless water heaters, replacement of HVAC equipment with Energy efficient units, installation of cool roofs, and reroofs with Class A assembly. The fee waiver ranges from \$50 for installation of a tankless water heater to \$800 for Energy Star certification of existing structures and could go up to \$30,000 for LEED certification of new construction.

2. A rebate program for projects with Green certification (i.e., CA Green Builder, LEED, and GreenPoint Rated).

2008-2014 Objectives: Implement the Build Green Program in FY 2008/09.

Funding Sources: General Fund

Responsible Agencies: Development Services Department/Planning and Building Divisions

PROVISION OF ADEQUATE SITES

17. Adequate Sites

The City will maintain an inventory of vacant and underutilized sites and provide this inventory to interested developers. The City will monitor its status of meeting the Regional Housing Needs Allocation (RHNA) annually and ensure that the City has adequate sites available to accommodate its remaining RHNA of 445 units (244 very low and 201 low income).

2008-2014 Objectives: Update inventory of vacant and underutilized sites annually and provide information to interested developers. When rezoning occurs, evaluate the impact of rezoning on the City's continued ability to meet its RHNA.

Funding Sources: Department/Division budget provided by General Fund

Responsible Agencies: Development Services Department/Planning Division

18. Fairview Developmental Center

The City will process a General Plan amendment and Rezone for the Fairview Developmental Center site to allow high density residential development. This program would also allow payment of fees upon certificate of occupancy, rather than prior to building permit issuance to reduce developer construction financing costs and overall development costs for housing affordable to lower-income households. Finally, the program will also establish a site-specific density of 30 du/ac by right for the affordable housing project.

2008-2014 Objectives: Process General Plan amendment and rezone by December 31, 2008. Work with the Fairview Developmental Center to include 170 affordable units to lower income households.

Funding Sources: General Fund

Responsible Agencies: Development Services Department/Planning Division

19. Land Acquisition

As funding permits, the City will acquire privately owned land to assemble a site(s) suitable for the development of new housing for lower and moderate income seniors, persons with disabilities, and/or families.

2008-2014 Objectives: Maintain a list of opportunity sites and monitor for-sale status of available properties. Specific actions/assistance that may be offered by the City include:

- ◆ Use of City funds to acquire and assemble parcels into site(s) of adequate size to permit development of new residential units;
- ◆ Provision of relocation assistance to displaced tenants;
- ◆ Assistance in clearance of structures acquired and site preparation;
- ◆ Disposal of the site(s) to private developer utilizing write-down method;
- ◆ Partnership in the application for additional funding for the construction of units;
- ◆ Provision of density bonus incentives; and/or
- ◆ Priority for processing the development review.

Funding Sources: Redevelopment Housing Set-Aside; HOME

Responsible Agencies: City Manager/Housing and Community Development Division

20. Mixed-Use Developments

The City will continue to promote mixed-use development in the Urban Plans, the North Costa Mesa Specific Plan, and Downtown Redevelopment Plan areas. Specifically the City will maintain a list of opportunity sites and market these sites to interested developers. The City will respond to market conditions and offer appropriate incentives through the Mixed Use Overlay zone. Incentives include:

- ◆ Reduced parking standards
- ◆ Increased densities
- ◆ Increased height limit
- ◆ Increased lot coverage
- ◆ Reduced setbacks

2008-2014 Objectives: Update inventory of opportunity sites at least every six months and make inventory available to interested developers. Evaluate incentives package annually.

Funding Sources: Department/Division budget provided by General Fund

Responsible Agencies: Development Services Department/Planning Division

21. Emergency Shelters, Transitional Housing, and Supportive Housing

Emergency shelters, transitional housing, and supportive housing are housing options that benefit primarily extremely low and very low income households. The City will amend the Zoning Code to specific emergency shelters as a permitted use in the R3 and PDR-HD zoning districts. Specific development and performance standards will be established in the Zoning Code to regulate the development of emergency shelters.

The code amendment will also specify standards such as number of occupancy, onsite management, security provisions and distance requirements so that the operation of emergency shelters remains compatible with the surrounding neighborhood. Furthermore the code amendment will include transitional housing and supportive housing as a residential use of the property and subject to the same regulations of residential uses within the same zone. Finally, the code amendment would allow emergency shelters as permitted uses (by right), without requiring discretionary review in the R3 and PDR-HD zones.

2008-2014 Objectives: Amend the Zoning Code by December 31, 2009.

Funding Sources: Department/Division budget provided by General Fund

Responsible Agencies: Development Services Department/Planning Division

22. Removing Governmental Constraints in Processing and Permit Procedures

State Law requires that the City permit multi-family residential uses by right, sufficient to accommodate the need for lower-income households. By right, pursuant to Government Code Section 65583.2(i) means local government review must not require a conditional use permit, planned unit development, or other discretionary review or approval.

Strictly applied to affordable housing projects with a minimum density of 20 units per acre, this program would remove governmental constraints and discretionary review related to the density of affordable housing projects. The Costa Mesa Municipal Code requires developments of five units or more to undergo "Design Review" by the Planning Commission. Design Review is a planning process involving site plan review and approval. As a discretionary review process, Design Review may involve modifications to the proposed project and the reduction of the originally proposed density.

This program would continue to allow site plan review regarding design elements and development standards of an affordable housing project (i.e. circulation pathways, architecture, setbacks, parking requirements, height, and landscaping). However, this program would eliminate any discretionary review of the project density of an affordable housing project to ensure that the proposed density is not modified or reduced. This is to ensure that the affordable housing units are not reduced in number as a result of the Design Review process.

This program achieves the intent of State Law to remove governmental constraints to the production of affordable housing projects involving: (1) minimum 16 units per site; (2) minimum 20 units per acre density; and (3) demonstration of at least 50 percent of the lower-income needs to be accommodate on sites designated for residential use only.

This program complies with State housing objectives to limit discretionary review of high-density affordable housing projects for the following reasons:

- ◆ Program would limit judgment to site plan design and residential development standards. The Planning Commission review would strictly be related to design elements such as vehicle/pedestrian circulation, locations of ingress/egress points, bulk/massing of structures, lot coverage, building height, and building design. In addition to land use compatibility issues, Planning Commission will continue to have discretionary review over the appearance and functionality of the residential development for quality assurance. The program continues to reinforce the central intent of Design Review to produce well-designed residential communities.
- ◆ Program would remove all discretion related to reducing density or housing affordability for projects with a minimum of 20 units per acre. The current Zoning Code provisions for Design Review (i.e. site plan review) allow the Planning Commission to have discretion over the

proposed density of a project. Theoretically, the Planning Commission could reduce the project density through the Design Review process. However, this new program would remove the Planning Commission's ability to modify the residential density of affordable housing projects in order to implement the State's housing objectives for low-income households. Therefore, for affordable housing projects in high-density residential zones (R3, PDR-HD, and mixed-use overlay zones), the 20 unit per acre density is considered permitted by right and cannot be reduced through the design review process. However, all other design review by the Planning Commission related to the project design, height, landscaping, parking and related development standards is still required.

- ◆ Program would ensure affordable housing projects are permitted by right in high-density residential zones. The schedule of actions for this program involves a code amendment to Title 13, Section 13-28(e), Design Review, of the Costa Mesa Municipal Code. Additional design review findings addressing the provision of affordable housing at critical mass of 20 dwelling units per acre may be added to Title 13, Section 13-29(g)(14), Design Review Findings, of the Costa Mesa Municipal Code. The Zoning Code amendment would ensure that affordable housing projects of 20 units per acre densities are permitted by right.

2008-2014 Objectives: Amend the Zoning Code by December 31, 2009.

Funding Sources: Department/Division budget provided by General Fund

Responsible Agencies: Development Services Department/Planning Division

23. Annual General Plan Review

The City will continue to monitor the extent of residential, commercial, and industrial development on an annual basis. Sufficient detail should be provided to monitor employment growth and housing production to enhance jobs/housing balance in the City.

2008-2014 Objectives: As part of the City's annual report to State Department of Housing and Community Development (HCD) for the implementation of the General Plan (including Housing Element), provide detailed progress in residential, commercial, and industrial development.

Funding Sources: Department/Division budget provided by General Fund

Responsible Agencies: Development Services Department/Planning Division

EQUAL HOUSING OPPORTUNITY

24. Fair Housing Assistance

The City contracts with the Fair Housing Council of Orange County to provide fair housing and tenant/landlord mediation services.

2008-2014 Objectives: Continue to provide fair housing services for all residents of the City. Promote awareness of fair housing via the City's website and distribute fair housing brochures at public counters and community locations. Make fair housing brochures available to nonprofit agencies. Recognize April as the "Fair Housing Month" and promote fair housing events through public service announcements.

Funding Sources: CDBG

Responsible Agencies: City Manager/Housing and Community Development Division; Fair Housing Council of Orange County; Development Services Department/Planning Division

CHILD CARE FACILITIES

25. Promotion of Child Care Facilities

The City understands that finding adequate and convenient child care is critical to maintaining the quality of life for Costa Mesa families. The City currently allows large family day care facilities of up to 14 children in many residential zones (R1, R2-MD, R2-HD, R3) as permitted uses. Day care facilities of 15 or more children would require a conditional use permit in all residential and commercial zones, but are considered as permitted uses in the I&RS zone.

The City will continue to apply development incentives pursuant to the State density bonus law and Costa Mesa Zoning Code to incorporate child care centers as part of an affordable housing development. The City will allow all incentives related to child care centers as afforded by the State density bonus provisions.

QUANTIFIED OBJECTIVES SUMMARY

Table HOU-48 summarizes the City of Costa Mesa's quantified objectives with regard to the construction, rehabilitation and preservation of housing. These objectives are established based on the City's resources available over the planning period.

**TABLE HOU-48
QUANTIFIED OBJECTIVES SUMMARY (2008-2014)**

| | Extremely Low | Very Low | Low | Moderate | Above Moderate | Total |
|---|---------------|----------|-----|----------|----------------|-------|
| New Construction | 159 | 160 | 219 | 1,424 | 2,051 | 3,955 |
| Rehabilitation | 105 | 110 | 85 | --- | --- | 300 |
| Single-Family Rehabilitation Loans (Program 1) | 15 | 20 | 25 | --- | --- | 60 |
| Neighborhood Improvement Grants (Program 2) | 60 | 60 | 60 | --- | --- | 180 |
| Neighborhood Clean Up (Program 3) | 30 | 30 | --- | --- | --- | 60 |
| Affordability | 463 | | --- | 8 | --- | 471 |
| Rental Assistance (Program 8) | 463 | | --- | --- | --- | 463 |
| First-Time Homebuyers (Loans) (Program 9) | --- | --- | --- | 8 | --- | 8 |
| Preservation of At-Risk Housing (Program 11) | 345 | | --- | --- | --- | 345 |
| Note: 1. Pursuant to new State law, the City must establish quantified objectives for extremely low income households. | | | | | | |

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**APPENDIX A:
SURVEY RESPONSES**

3R Committee
Sept 25, 2007

Name JANE Email YAHOO-Com

JANET MCCAMMON 949-650-0886 GODDESS 92627 @



City of Costa Mesa
2008-2014 Housing Element Update

Please tell us about yourself

Own or Rent:

- ☐ A renter in Costa Mesa ☒ A homeowner in Costa Mesa ☐ Neither

ZIP Code of your residence: 92627

You are:

- ☐ Senior (over 65) ☐ Person with disabilities

Size of your household:

- ☐ 1 person ☒ 2-4 persons ☐ 5-7 persons ☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

- ☐ Rents or prices of home in Costa Mesa are too high
- ☐ Types of housing available on the market do not meet our needs
- ☒ Deteriorating homes
- ☒ Deteriorating apartments
- ☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)
- ☐ Other (please specify):

Illegal aliens cramming
into one small home - enforce
housing code

Issues You Face:

- ☐ Rent or mortgage is too high (more than 30% of your income)
- ☐ Want to move but types of housing available on the market do not meet my needs
- ☐ Want to repair or improve my home but cannot afford the costs
- ☐ Landlord won't repair the apartment
- ☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☒ Other (please specify):

I have a great house in
a perfect location

Other Comments:

Costa mesa is in a prime location. We have a huge opportunity
to have one of the best cities in the country/state but our
influx of illegal aliens and the of rentals - causing our
city to stay stagnant.

City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☒ A renter in Costa Mesa

☐ A homeowner in Costa Mesa

☐ Neither

ZIP Code of your residence:

92627

You are:

☐ Senior (over 65)

☐ Person with disabilities

Size of your household:

☐ 1 person

☒ 2-4 persons

☐ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☒ Rents or prices of home in Costa Mesa are too high

☒ Types of housing available on the market do not meet our needs

☐ Deteriorating homes

☒ Deteriorating apartments

☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

Issues You Face:

☐ Rent or mortgage is too high (more than 30% of your income)

☐ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

Other Comments:

I would love to see our community build momentum to provide housing for all segments including extremely low & low income as well as large families ~

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☒ A renter in Costa Mesa

☐ A homeowner in Costa Mesa

☐ Neither

ZIP Code of your residence:

92627

You are:

☐ Senior (over 65)

☐ Person with disabilities

Size of your household:

☒ 1 person

☐ 2-4 persons

☐ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☒ Rents or prices of home in Costa Mesa are too high

☐ Types of housing available on the market do not meet our needs

☐ Deteriorating homes

☐ Deteriorating apartments

☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☒ Other (please specify):

MORE AFFORDABLE
UNITS, NO MORE
DEVELOPERS GOBBLING
UP HOMES + DISPLACING

Other Comments:

RENTERS

Issues You Face:

☒ Rent or mortgage is too high (more than 30% of your income)

☒ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☒ Other (please specify):

WANT TO BUY A HOUSE
BUT NOTHING HERE I
CAN AFFORD!

I EARN 65K A YEAR, HAVE NO DEBT, EXCELLENT
CREDIT, LIVED IN CM 16 YRS + STILL CANNOT
AFFORD A HOUSE!

**City of Costa Mesa
Development Services Department
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the issues that apply:

Prices of home in Costa Mesa
housing available on the market
at our needs
ng homes
ng apartments
ood amenities need upgrading
adequate streetlights, sidewalk
(e.g.)
(please specify):

AFFORDABLE
NO MORE
RENTERS GOBBLING
US & DISPLACING
RENTERS

105K A YEAR, HAVE NO DEB

LIVED IN SMALL YES + STILL

Issues You Face:

- ☒ Rent or mortgage is 30% of your income)
- ☒ Want to move but type available on the market needs
- ☐ Want to repair or improve cannot afford the cost
- ☐ Landlord won't repair
- ☐ Need to renovate my accommodate my disability afford the cost

☒ Other (please specify)
WANT TO B
BUT NOTHING
CAN AFFORD!



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

- ☐ A renter in Costa Mesa ☒ A homeowner in Costa Mesa ☐ Neither

ZIP Code of your residence: 92626

You are:

- ☐ Senior (over 65) ☐ Person with disabilities

Size of your household:

- ☐ 1 person ☒ 2-4 persons ☐ 5-7 persons ☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

- ☐ Rents or prices of home in Costa Mesa are too high
- ☐ Types of housing available on the market do not meet our needs
- ☐ Deteriorating homes
- ☐ Deteriorating apartments
- ☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)
- ☒ Other (please specify):

NONE, I'm PLEASED WITH
MY HOME, IT'S VALUE AND

MY NEIGHBORHOOD

Issues You Face:

- ☐ Rent or mortgage is too high (more than 30% of your income)
- ☐ Want to move but types of housing available on the market do not meet my needs
- ☐ Want to repair or improve my home but cannot afford the costs
- ☐ Landlord won't repair the apartment
- ☐ Need to renovate my home to accommodate my disability but cannot afford the cost
- ☐ Other (please specify):

Other Comments:

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Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



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2008-2014 Housing Element Update**

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☒ Rents or prices of home in Costa Mesa are too high

☐ Types of housing available on the market do not meet our needs

☐ Deteriorating homes

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☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

Love my house &
neighborhood!!

Issues You Face:

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☐ Other (please specify):

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☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

☒ Rents are fair & well priced
close to ocean location

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☒ Other (please specify):

☒ Homes are affordable and the
city offers good recreation parks &
shopping

Other Comments:

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☒ Deteriorating apartments

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☐ Other (please specify):

I like My House &
its price right

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Other Comments:

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- _____
- _____

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- ☐ Other (please specify):
- _____
- _____

Other Comments:

Housing prices are on-par with comparable areas in So. Cal. Mixed

use areas are well kept. Business owners should be encouraged to
keep clientele from loitering, loitering, or to keep noise @ a minimum.

**City of Costa Mesa
Development Services Department
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Housing Element Workshop
July 24, 2007, 6:00 p.m.
Mika Community Development Corporation Office
1870 Harbor Blvd, C.M.
Sign-in Sheet

| | NAME | ADDRESS |
|-----|---------------------|----------------------------|
| 1. | Silvia Robles | 758 Shalimar #1 |
| 2. | Guadalupe Ronce | 758 Shalimar #4 |
| 3. | Alicia Gómez | 725 James #B |
| 4. | ANTONIA Gomez | 725 James #B |
| 5. | Isalia villafra | 711 Shalimar #B |
| 6. | Jennifer Nash | 17716 Wallace Ave, #A |
| 7. | Concepción González | 1978 Maple #C |
| 8. | Lucina Martinez | 1978 Maple ave apt Q |
| 9. | Eloise Rodriguez | 1978 Maple ave apt I. |
| 10. | Laura Villanueva | 1481 maple Ave # G. |
| 11. | Elly Sanchez | 2387 Orange Av. |
| 12. | Mano Hernandez | |
| 13. | Guoxóchitl López | 1621 Mesa Dr #9 |
| 14. | Sarah Porterfield | 2615 Redands Dr. 92627 |
| 15. | Juway Flores | 1250 S. Birch St. SA 92207 |
| 16. | Teresa Ornelas | 736 Weloo Dr CM, 92607 |
| 17. | | |
| 18. | | |
| 19. | | |
| 20. | | |



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Other Comments:

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Ciudad de Costa Mesa
2008-2014 Poner al día el Elemento de Viviendas

Favor de decirnos de usted

Dueño o Inquilino:

☒ Inquilino en Costa Mesa ☐ Dueño en Costa Mesa ☐ Ninguno

Código Postal de su residencia: 92627

Es usted:

☐ Persona Anciana (mayor de 65) ☐ Persona incapacitada

Numero de personas en su familia:

☐ 1 persona ☐ 2-4 personas ☒ 5-7 personas ☐ más de 7 personas

Asuntos de Viviendas

Favor de marcar los asuntos que le apliquen:

En Costa Mesa:

☒ Rentas o precios de casas en Costa Mesa están muy altas

☒ Tipo de viviendas disponibles en el mercado no proveen nuestras necesidades

☐ Viviendas deterioradas

☐ Apartamentos deteriorados

☒ Comodidades de las Vecindades necesitan mejoramiento (por ejemplo- faroles inadecuados, reparaciones de veredas, y más)

☐ Otros Asuntos (favor de especificar):

Plomería

Asuntos que le Enfrente:

☒ Renta o hipoteca muy alta (más del 30% de sus ingresos)

☐ Quiero mudarme pero los tipos de viviendas disponibles en el mercado no proveen mis necesidades

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☒ El propietario no hace reparaciones al apartamento

☐ Necesito renovar mi casa para acomodar mi incapacidad pero no puedo sostener los gastos

☐ Otros Asuntos (favor de especificar):

Otros Comentarios:

City of Costa Mesa
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Planning Division
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Other Comments:

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Development Services Department
Planning Division
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Ciudad de Costa Mesa
2008-2014 Poner al día el Elemento de Viviendas

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Ciudad de Costa Mesa
2008-2014 Poner al día el Elemento de Viviendas

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- ☒ Otros Asuntos (favor de especificar):

Otros Comentarios:



Ciudad de Costa Mesa
2008-2014 Poner al día el Elemento de Viviendas

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☐ Otros Asuntos (favor de especificar):

Otros Comentarios:

City of Costa Mesa
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**City of Costa Mesa
2008-2014 Housing Element Update**

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Please check the issues that apply:

In Costa Mesa:

- ☐ Rents or prices of home in Costa Mesa are too high
- ☐ Types of housing available on the market do not meet our needs
- ☐ Deteriorating homes
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- ☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)
- ☐ Other (please specify):

Lack of mixed income
affordable housing for
my neighbors

Issues You Face:

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- ☐ Need to renovate my home to accommodate my disability but cannot afford the cost
- ☐ Other (please specify):

Other Comments:

We do not want the "Westside Business Culture" to turn
our community into another Laguna Beach. We love
our family-friendly culture & the law abiding
Latino residents are an asset to
our city.

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1.7 Ocean is not an appropriate solution to the
lack of affordable ownership opportunities for families!



Ciudad de Costa Mesa
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Ciudad de Costa Mesa
2008-2014 Poner al día el Elemento de Viviendas

Favor de decirnos de usted

Dueño o Inquilino:

☒ Inquilino en Costa Mesa ☐ Dueño en Costa Mesa ☐ Ninguno

Código Postal de su residencia: 92627

Es usted:

☐ Persona Anciana (mayor de 65) ☐ Persona incapacitada

Numero de personas en su familia:

☐ 1 persona ☒ 2-4 personas ☐ 5-7 personas ☐ más de 7 personas

Asuntos de Viviendas

Favor de marcar los asuntos que le apliquen:

En Costa Mesa:

- ☐ Rentas o precios de casas en Costa Mesa están muy altas
- ☐ Tipo de viviendas disponibles en el mercado no proveen nuestras necesidades
- ☒ Viviendas deterioradas
- ☒ Apartamentos deteriorados
- ☒ Comodidades de las Vecindades necesitan mejoramiento (por ejemplo- faroles inadecuados, reparaciones de veredas, y más)
- ☐ Otros Asuntos (favor de especificar):

Asuntos que le Enfrente:

- ☐ Renta o hipoteca muy alta (más del 30% de sus ingresos)
- ☐ Quiero mudarme pero los tipos de viviendas disponibles en el mercado no proveen mis necesidades
- ☐ Quiero hacer reparaciones o mejorar mi casa pero no puedo sostener los gastos
- ☐ El propietario no hace reparaciones al apartamento
- ☐ Necesito renovar mi casa para acomodar mi incapacidad pero no puedo sostener los gastos
- ☐ Otros Asuntos (favor de especificar):

Otros Comentarios:

City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

- ☐ A renter in Costa Mesa ☐ A homeowner in Costa Mesa ☒ Neither

ZIP Code of your residence: 92707

You are:

- ☐ Senior (over 65) ☐ Person with disabilities

Size of your household:

- ☐ 1 person ☐ 2-4 persons ☒ 5-7 persons ☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

- ☒ Rents or prices of home in Costa Mesa are too high
- ☒ Types of housing available on the market do not meet our needs
- ☒ Deteriorating homes
- ☒ Deteriorating apartments
- ☒ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)
- ☐ Other (please specify):

Issues You Face:

- ☒ Rent or mortgage is too high (more than 30% of your income)
- ☒ Want to move but types of housing available on the market do not meet my needs
- ☐ Want to repair or improve my home but cannot afford the costs
- ☒ Landlord won't repair the apartment
- ☐ Need to renovate my home to accommodate my disability but cannot afford the cost
- ☐ Other (please specify):

Other Comments:

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☐ A renter in Costa Mesa

☐ A homeowner in Costa Mesa

☒ Neither

ZIP Code of your residence: 92707

You are:

☐ Senior (over 65)

☐ Person with disabilities

Size of your household:

☐ 1 person

☐ 2-4 persons

☐ 5-7 persons

☒ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☒ Rents or prices of home in Costa Mesa are too high

☒ Types of housing available on the market do not meet our needs

☒ Deteriorating homes

☒ Deteriorating apartments

☒ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

Issues You Face:

☐ Rent or mortgage is too high (more than 30% of your income)

☐ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

Other Comments:

Possible government owned housing for very low income families?
Similar to Santa Ana

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



Ciudad de Costa Mesa
2008-2014 Poner al día el Elemento de Viviendas

Favor de decirnos de usted

Dueño o Inquilino:

☐ Inquilino en Costa Mesa ☒ Dueño en Costa Mesa ☐ Ninguno

Código Postal de su residencia: 92627

Es usted:

☐ Persona Anciana (mayor de 65) ☐ Persona incapacitada

Numero de personas en su familia:

☐ 1 persona ☒ 2-4 personas ☐ 5-7 personas ☐ más de 7 personas

Asuntos de Viviendas

Favor de marcar los asuntos que le apliquen:

En Costa Mesa:

- ☒ Rentas o precios de casas en Costa Mesa están muy altas
- ☐ Tipo de viviendas disponibles en el mercado no proveen nuestras necesidades
- ☐ Viviendas deterioradas
- ☐ Apartamentos deteriorados
- ☐ Comodidades de las Vecindades necesitan mejoramiento (por ejemplo- faroles inadecuados, reparaciones de veredas, y más)
- ☐ Otros Asuntos (favor de especificar):

Asuntos que le Enfrente:

- ☐ Renta o hipoteca muy alta (más del 30% de sus ingresos)
- ☐ Quiero mudarme pero los tipos de viviendas disponibles en el mercado no proveen mis necesidades
- ☐ Quiero hacer reparaciones o mejorar mi casa pero no puedo sostener los gastos
- ☐ El propietario no hace reparaciones al apartamento
- ☒ Necesito renovar mi casa para acomodar mi incapacidad pero no puedo sostener los gastos
- ☐ Otros Asuntos (favor de especificar):

Promerica

Otros Comentarios:

City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200



Ciudad de Costa Mesa

2008-2014 Poner al día el Elemento de Viviendas

Favor de decirnos de usted

Dueño o Inquilino:

☒ Inquilino en Costa Mesa ☐ Dueño en Costa Mesa ☐ Ninguno

Código Postal de su residencia: 92627

Es usted:

☐ Persona Anciana (mayor de 65) ☐ Persona incapacitada

Numero de personas en su familia:

☐ 1 persona ☐ 2-4 personas ☒ 5-7 personas ☐ más de 7 personas

Asuntos de Viviendas

Favor de marcar los asuntos que le apliquen:

En Costa Mesa:

☒ Rentas o precios de casas en Costa Mesa están muy altas

☐ Tipo de viviendas disponibles en el mercado no proveen nuestras necesidades

☐ Viviendas deterioradas

☐ Apartamentos deteriorados

☐ Comodidades de las Vecindades necesitan mejoramiento (por ejemplo- faroles inadecuados, reparaciones de veredas, y más)

☐ Otros Asuntos (favor de especificar):

Asuntos que le Enfrente:

☒ Renta o hipoteca muy alta (más del 30% de sus ingresos)

☒ Quiero mudarme pero los tipos de viviendas disponibles en el mercado no proveen mis necesidades

☐ Quiero hacer reparaciones o mejorar mi casa pero no puedo sostener los gastos

☐ El propietario no hace reparaciones al apartamento

☐ Necesito renovar mi casa para acomodar mi incapacidad pero no puedo sostener los gastos

☐ Otros Asuntos (favor de especificar):

Otros Comentarios:

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**

NCC

6/18/07

| <u>NAME</u> | <u>ORGANIZATION</u> | <u>PHONE No.</u> |
|-----------------------------|---------------------------|------------------|
| 1. BRIAN PARK | Nossaman | |
| 2. JENNY FORBATH | CM Housing Coalition | 714-549-2001 |
| 3. Linda Newman | | 949-646-2349 |
| 4. Alexis Penn-Loya | Public Law Center | 714-541-1010 |
| 5. Dianne Russell | Kennedy Congress | 949-642-1907 |
| 6. Anne Hogan - Herschovsky | Seniors & disaster | 949-646-2110 |
| 7. George Sakioka | J.K. Sakioka Company | 714-545-8611 |
| 8. Joe Guidotti | Colette's Children's Home | 714 596-1380 |
| 9. Christine Ruder | Dayle McIntosh Center | 714 620 8386 |
| 10. Erik St. Amant | Dayle McIntosh | " " " |
| 11. Kathy Estahani | CM Housing Coalition | 7-754-5451 |
| 12. Frank Forbath | | 7-549-2001 |
| 13. DAVID WILSON | SEGERSTROM | 714-546-0110 |
| 14. Gussy Brooks | Mika CDC | 949-645-0075 |
| 15. Paul Flanagan & Arlene | | 714-957-0388 |
| 16. | | |
| 17. | | |
| 18. | | |
| 19. Veronica, | | |
| 20. You know questions | | |
| 21. asked @ this mtg. | | |
| 22. Nilda | | |
| 23. | | |
| 24. | | |
| 25. | | |
| 26. | | |
| 27. | | |



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☐ A renter in Costa Mesa

☒ A homeowner in Costa Mesa

☐ Neither

ZIP Code of your residence: 92626

You are:

☐ Senior (over 65)

☐ Person with disabilities

Size of your household:

☐ 1 person

☐ 2-4 persons

☒ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☒ Rents or prices of home in Costa Mesa are too high

☒ Types of housing available on the market do not meet our needs

☐ Deteriorating homes

☐ Deteriorating apartments

☒ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

Specifically need housing
for low income families

Issues You Face:

☐ Rent or mortgage is too high (more than 30% of your income)

☐ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

Family members + friends
can't afford to live here

Other Comments:



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☐ A renter in Costa Mesa

☐ A homeowner in Costa Mesa

☒ Neither

ZIP Code of your residence: 92660

You are:

☐ Senior (over 65)

☐ Person with disabilities

Size of your household:

☐ 1 person

☐ 2-4 persons

☒ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☐ Rents or prices of home in Costa Mesa are too high

☐ Types of housing available on the market do not meet our needs

☐ Deteriorating homes

☐ Deteriorating apartments

☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

Issues You Face:

☐ Rent or mortgage is too high (more than 30% of your income)

☐ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

Other Comments:

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

- ☐ A renter in Costa Mesa ☐ A homeowner in Costa Mesa ☒ Neither

ZIP Code of your residence: 92648

You are:

- ☐ Senior (over 65) ☐ Person with disabilities

Size of your household:

- ☐ 1 person ☒ 2-4 persons ☐ 5-7 persons ☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

- ☒ Rents or prices of home in Costa Mesa are too high
- ☐ Types of housing available on the market do not meet our needs
- ☐ Deteriorating homes
- ☐ Deteriorating apartments
- ☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)
- ☐ Other (please specify):
- _____
- _____

Issues You Face:

- ☒ Rent or mortgage is too high (more than 30% of your income)
- ☐ Want to move but types of housing available on the market do not meet my needs
- ☐ Want to repair or improve my home but cannot afford the costs
- ☐ Landlord won't repair the apartment
- ☐ Need to renovate my home to accommodate my disability but cannot afford the cost
- ☐ Other (please specify):
- _____
- _____

Other Comments:

Represent homeless women & children from Costa Mesa; in oc
there is a general lack of affordable rental housing.

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



City of Costa Mesa 2008-2014 Housing Element Update

Please tell us about yourself

Own or Rent:

- ☒ A renter in Costa Mesa ☐ A homeowner in Costa Mesa ☐ Neither

ZIP Code of your residence: 92627

You are:

- ☐ Senior (over 65) ☐ Person with disabilities

Size of your household:

- ☐ 1 person ☒ 2-4 persons ☐ 5-7 persons ☐ more than 7 persons

Housing Issues

Please check the issues that apply:

| <u>In Costa Mesa:</u> | <u>Issues You Face:</u> |
|---|---|
| <input checked="" type="checkbox"/> Rents or prices of home in Costa Mesa are too high | <input type="checkbox"/> Rent or mortgage is too high (more than 30% of your income) |
| <input type="checkbox"/> Types of housing available on the market do not meet our needs | <input type="checkbox"/> Want to move but types of housing available on the market do not meet my needs |
| <input type="checkbox"/> Deteriorating homes | <input type="checkbox"/> Want to repair or improve my home but cannot afford the costs |
| <input type="checkbox"/> Deteriorating apartments | <input type="checkbox"/> Landlord won't repair the apartment |
| <input type="checkbox"/> Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.) | <input type="checkbox"/> Need to renovate my home to accommodate my disability but cannot afford the cost |
| <input type="checkbox"/> Other (please specify): _____ _____ | <input type="checkbox"/> Other (please specify): _____ _____ |

Other Comments:

I live in the Westside Redevelopment area and am concerned
about the cost of ^{comparable} replacement housing within reasonable
travel distance from work.

City of Costa Mesa
Development Services Department
Planning Division
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Costa Mesa, CA 92628-1200



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☒ A renter in Costa Mesa

☐ A homeowner in Costa Mesa

☐ Neither

ZIP Code of your residence: 92627

You are:

☐ Senior (over 65)

☐ Person with disabilities

Size of your household:

☐ 1 person

☒ 2-4 persons

☐ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☒ Rents or prices of home in Costa Mesa are too high

☒ Types of housing available on the market do not meet our needs

☐ Deteriorating homes

☒ Deteriorating apartments

☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

Issues You Face:

☐ Rent or mortgage is too high (more than 30% of your income)

☐ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

Other Comments:

I would be interested in hosting a Spanish and/or bilingual
event of this presentation - Crissy Brooks

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**

*Mika Community Development Corp.
949.645.0075
Crissy@mikacdc.com*

*Blue form
filled out*



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☒ A renter in Costa Mesa

☐ A homeowner in Costa Mesa

☐ Neither

ZIP Code of your residence: 92627

You are:

☒ Senior (over 65)

☐ Person with disabilities

Size of your household:

☒ 1 person

☐ 2-4 persons

☐ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☒ Rents or prices of home in Costa Mesa are too high

☒ Types of housing available on the market do not meet our needs

☒ Deteriorating homes

☒ Deteriorating apartments

☒ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

too much density
of new apartments

Issues You Face:

☐ Rent or mortgage is too high (more than 30% of your income)

☐ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

all of the above for my
senior friends

Other Comments:

No low cost rents for working people - such as High rises
Excluse, Newport Plaza (19+ Newport)

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☒ A renter in Costa Mesa

☐ A homeowner in Costa Mesa

☐ Neither

ZIP Code of your residence:

92626

You are:

☐ Senior (over 65)

☒ Person with disabilities

Size of your household:

☒ 1 person

☐ 2-4 persons

☐ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☒ Rents or prices of home in Costa Mesa are too high

☒ Types of housing available on the market do not meet our needs

☒ Deteriorating homes

☒ Deteriorating apartments

☒ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

Issues You Face:

☐ Rent or mortgage is too high (more than 30% of your income)

☐ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

Other Comments:

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☒ A renter in Costa Mesa

☐ A homeowner in Costa Mesa

☐ Neither

ZIP Code of your residence:

92626

You are:

☐ Senior (over 65)

☒ Person with disabilities

Size of your household:

☐ 1 person

☒ 2-4 persons

☐ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☒ Rents or prices of home in Costa Mesa are too high

☒ Types of housing available on the market do not meet our needs

☐ Deteriorating homes

☐ Deteriorating apartments

☒ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☒ Other (please specify):

Community Accessibility

Housing Affordability

Issues You Face:

☒ Rent or mortgage is too high (more than 30% of your income)

☒ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☒ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

Other Comments:

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☐ A renter in Costa Mesa

☒ A homeowner in Costa Mesa

☐ Neither

ZIP Code of your residence: 92627

You are:

☐ Senior (over 65)

☐ Person with disabilities

Size of your household:

☒ 1 person

☐ 2-4 persons

☐ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☐ Rents or prices of home in Costa Mesa are too high

☒ Types of housing available on the market do not meet our needs

☐ Deteriorating homes

☐ Deteriorating apartments

☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

Issues You Face:

☐ Rent or mortgage is too high (more than 30% of your income)

☐ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

I want to insure that there
is housing available for all
segments of the community.

Other Comments:

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourself

Own or Rent:

☐ A renter in Costa Mesa

☐ A homeowner in Costa Mesa

☒ Neither

ZIP Code of your residence:

92676 - tried to rent in Costa Mesa

You are:

☐ Senior (over 65)

☐ Person with disabilities

Size of your household:

☐ 1 person

☒ 2-4 persons

☐ 5-7 persons

☐ more than 7 persons

Housing Issues

Please check the issues that apply:

In Costa Mesa:

☒ Rents or prices of home in Costa Mesa are too high

☒ Types of housing available on the market do not meet our needs

☐ Deteriorating homes

☐ Deteriorating apartments

☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)

☐ Other (please specify):

Issues You Face:

☒ Rent or mortgage is too high (more than 30% of your income)

☒ Want to move but types of housing available on the market do not meet my needs

☐ Want to repair or improve my home but cannot afford the costs

☐ Landlord won't repair the apartment

☐ Need to renovate my home to accommodate my disability but cannot afford the cost

☐ Other (please specify):

Other Comments:

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**



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CITY OF COSTA MESA
DEVELOPMENT SERVICES DEPARTMENT
DEC 10 2007

**City of Costa Mesa
2008-2014 Housing Element Update**

Please tell us about yourselfOwn or Rent

xx A renter in Costa Mesa

☐ A homeowner in Costa Mesa☐ NeitherZIP Code of your residence: 92627

You are:

☐ Senior (over 65)

xx Person with disabilities

Size of your household:

xx 1 person

☐ 2-4 persons☐ 5-7 persons☐ more than 7 persons**Housing Issues**

Please comment below:

In Costa Mesa:xx ☒ Rents or prices of homes are too high☐ Most rents are reasonable in the Cityxx ☒ Home prices are unaffordable

xx Home prices in Costa Mesa are affordable

☐ Home prices are reasonable based on area and amenities☐ Types of housing available on the market do not meet our needs☐ Deteriorating homes☐ Deteriorating apartments☐ Neighborhood amenities need upgrading (e.g. inadequate streetlights, sidewalk repairs, etc.)☐ Other (please specify):

_____**Issues You Face:**

xx Rent or mortgage is more than 30% of household income

xx Rent or mortgage is more than 50% of household income

☐ Want to move but types of housing available on the market do not meet my needs☐ Want to repair or improve my home but cannot afford the costs☐ Landlord won't repair the apartment☐ Need to renovate my home to accommodate my disability but cannot afford the cost☐ Other (please specify):____rent is 98% of my income ____studio
\$840/month- disability income
\$857.00n/month_____

Other Comments:

**City of Costa Mesa
Development Services Department
Planning Division
P.O. Box 1200
Costa Mesa, CA 92628-1200**

APPENDIX B:
SUMMARY OF INTERVIEWS

The following agencies were interviewed for the services offered and housing needs of their clients:

1. Adult Day Services of OC

9451 Indianapolis Ave
Huntington Beach, CA 92646
(714) 593-9630
Contacted 9/20 (morning)

The Adult Day Services of OC serve the older adult community that have Alzheimer's or dementia. The needs of the population they serve are day care, transportation to and from their facility, activities/exercises to stimulate memory, and integration into the community. They did not list any specific housing needs.

2. Disabilities Ministries

3800 S. Fairview Rd
Santa Ana, CA 92704
(714) 979-4422
Contacted 9/19 (morning)

Disabilities Ministries serve anyone with disabilities. The needs of this population are the word of God. They did not list any specific housing needs.

3. Fairview Developmental Center

2501 Harbor Blvd
Costa Mesa, CA 92626
(714) 957-5000
Contacted 9/21 (morning)

The Fairview Developmental Center serves developmentally disabled individuals. The needs of this population are 24-hour care, skilled nursing, intermediate care, and housing. They did not list any specific housing needs. They are very satisfied with its partnering with the city of Costa Mesa.

4. Project Independence

3505 Cadillac Ave | Suite P-101
Costa Mesa, CA 92626
(714) 549-3464
Contacted 9/19 (morning)

Project Independence serves individuals of the OC that have a developmental disability such as mental retardation, down syndrome, cerebral palsy, and/or epilepsy. The needs of this population are living services (people come to their apartments to help with cooking, grocery shopping, cleaning, banking, budgeting) and job services (finding a job and job coaching). In terms of specific housing needs, they would like to see the city have more housing facilities that accept HUD vouchers.

5. Vantage Foundation

3505 Cadillac Ave | Suite O-106
Costa Mesa, CA 92626
(714) 434-7870
Contacted 9/20 (morning)

The Vantage Foundation serves adults born with the most significant

disabilities. Needs of this population include day care and integration into the community through activities such as riding a bus, banking, etc. In terms of specific housing needs, they would like to more safe affordable housing for adults with severe disabilities as opposed to a group home/institution.

6. Mental Health Association

420 W. 19th Street | Suite B
Costa Mesa, CA 92627
(949) 646-9227
Contacted 9/19 (morning)

The Mental Health Association serves people that are impacted by a major psychological disorder such as schizophrenia, bipolar, and/or major depression. The needs of this population are psychiatric treatment, medication, financial stability, SSI (Social Security Insurance) benefits, housing, employment opportunities, and socialization/recreation opportunities. In terms of housing, they would like to see more affordable low-income housing available.

7. Orange Coast Interfaith Services

Emergency Program
Costa Mesa, CA 92626
(949) 631-7213
Contacted 9/20 (morning)

The Orange Coast Interfaith Services serve people in need of emergency shelter. The needs of this population are meals, laundry and shower facilities, bus passes, counseling, emergency housing (depending on the program, it can be from 3 days up to a year). In terms of housing, they would like to see more emergency shelter programs.

8. Salvation Army Family Services

17261 Oak Lane
Huntington Beach, CA 92647
(714) 841-0150
Contacted 9/19 (morning)

The Salvation Army Family Services serve people in need of assistance. Specifically, the needs of this population are financial assistance (helping with a portion of the rent and utility bills), a bag of food 3x a year, programs for kids (camping trip, Christmas toys, free clothes). They did not list any specific housing needs since the Salvation Army shelter programs are located in Santa Ana and Anaheim.

9. SPIN (Serving People in Need)

151 Kalmus Drive | Suite H-2
Costa Mesa, CA 92626
(714) 751-1101
Contacted 9/21 (morning)

SPIN serves people in need of assistance. Specifically, the needs of this population are housing, job training, credit clean-up, food, legal services, childcare, crisis intervention, medical/dental needs, and transportation. The goal of SPIN is to help their clients become self-sufficient. In terms of housing, they would like to see more affordable housing in general for Costa Mesa residents.

**APPENDIX C:
ADDITIONAL UNDERUTILIZED SITES IN
MIXED USE OVERLAY DISTRICT**



APPENDIX C

SITES INVENTORY AND ANALYSIS 19 WEST URBAN PLAN AREA

Underutilized Sites Inventory

This appendix to the Housing Element addresses the requirements of Government Code Sections 65583 and 65583.2, requiring a parcel-specific inventory of appropriately zoned, available, and suitable sites that can provide realistic opportunities for the provision of housing to all income segments within the community.

The City's share of the regional housing need will be met through the implementation of a variety of strategies, including available and appropriate zoned land in the Mixed-Use Overlay Zones. The primary method for addressing the adequate sites requirement will be addressed through the identification of available vacant and non-vacant sites that are suitable and appropriately zoned.

The City's evaluation of adequate sites begins with a listing of individual sites by zone and general plan designation. The sites suitability analysis will demonstrate these sites are currently available and unconstrained so as to provide realistic development opportunities prior to June 30, 2014 (the end of planning period). To demonstrate the realistic development viability of the sites, the analysis also discusses: (1) whether appropriate zoning is in place; (2) the applicable development standards and their impact on projected development capacity and affordability; (3) existing constraints including any known environmental issues; and the (4) availability of existing and planned public service capacity levels.

The City's land inventory was developed with the use of a combination of resources including the City's GIS database, updated Assessor's data, field surveys, and review of the City's Land Use Element and Zoning Ordinance. These efforts allow the City to identify underutilized sites and estimate the realistic potential development capacity on these sites. These sites are additional to those identified in Table HOU-45, which lists sites where development applications have been filed or development interests have been expressed by either property owners or developers.

The underutilized sites in the 19 West Urban Plan areas account for underutilized land available for residential development. The Urban Plan is similar to a specific plan area where these sites have been zoned for high-density residential development.

The inventory includes large non-residentially zoned parcels and parcels which are substantially underutilized which could be developed for more intense residential uses.

Existing Uses in Base Zoning District

The following sites inventory includes a site identification number which corresponds to the attached Exhibit A, with APN, lot size, zoning, general plan designation, existing use, potential buildout capacity, and an indication of site constraints.

Table A
Available Land Inventory Summary
19 West Urban Plan

| MIXED USE DEVELOPMENT | | | | | | | | | | | |
|-----------------------|------------------|----------------|---|----------------------|-----------------------|-------|---|---|--|--|--|
| Site | APN/ Location | Street Address | Zone (Local Business District) | Allowable Density | GP Designation | Acres | Realistic Unit Capacity @ 30 du/ac | Realistic Commercial Square Footage | Existing Use | Infrastructure Capacity | Environ Constraints |
| 1 | 424-191-07 | 845 W 19th St | C1 | 30 du/ac | General Commercial | 3.78 | 96 | 5670 | Strip Retail Center consisting of marginal neighborhood market type of uses | Sufficient to serve proposed mixed- use development, with high-density residential component at 30 du/ac | Initial Study/Mitigated Negative Declaration adopted in April, 2006 concluded that there were no significant environmental constraints to development feasibility for mixed-use development or high- density residential development. Appropriate mitigation may be required. |
| | 424-191-08 | 839 W 19th St | C1 | 30 du/ac | General Commercial | | | | | | |
| | 424-191-09 | 835 W 19th St | C1 | 30 du/ac | General Commercial | | | | | | |
| | 424-191-10 | 821 W 19th St | C1 | 30 du/ac | General Commercial | | | | | | |
| | 424-191-11 | 817 W 19th St | C1 | 30 du/ac | General Commercial | | | | | | |
| TOTAL | | | | | | 3.78 | 96 | | | | |

Note: The underutilized sites in the 19 West Urban Plan accounts for 3.78 acres of the 106-acre urban plan area (3.5 percent). Refer to Exhibits A and B for maps.

These sites consist of commercially-zoned properties with a mixed-use overlay that would allow high-density residential development at 30 du/ac pursuant to the Urban Plan. These sites, and the urban plan areas overall, are in need of economic stimulus to jumpstart revitalization to create a vibrant core of mixed-use development.

These properties are considered underutilized properties due to the fact that they represent marginal commercial properties with aging structures. Additionally, where there are existing neighborhood retail stores and mini-markets, these uses do not fully realize the potential of the mixed-use overlay zone. The overlay zone would allow more vibrant, large-scale mixed-use development along highly-travelled corridors in the City and therefore better maximize the site's development potential.

It is important to note that the overlay zone would allow a retail component AND a residential component. Therefore, the neighborhood markets and neighborhood-serving retail uses may become more viable when the property is redeveloped with residential uses on-site.

The Urban Plan provides guidance to property owners and developers for new development and revitalization of the existing commercial and industrial development. It is anticipated that as mixed-use projects develop over time, overall vehicle trip generation will decrease when compared to more traditional commercial or high-density residential zones in the City. High density residential development at 30 units per acre may occur in these mixed-use overlay districts. However, the purpose of the overlay zones/urban plan documents is to provide a high-density residential development incentive without exceeding the development capacity of the General Plan. In fact, no additional traffic generation is proposed with the Mixed-Use Overlay District, as the General Plan traffic intensities of the base commercial zoning district would apply to proposed development.

The City has proactively with interested parties, developers, and private property owners in the Urban Plan areas to encourage land use development strategies to revitalize these properties. The City is committed to the Urban Plan Program to implement new mixed-use development projects and create opportunities for adaptive reuse. Specifically, the Urban Plan Program commits the City to the following:

- Providing expedited processing of planning applications;
- Providing regulatory/development incentives in mixed-use overlay zones;
- Track and monitor new development in urban plan areas to ensure adequate infrastructure and traffic capacity;
- Encourage a different mix of urban housing types, including smaller units that may be affordable to low-income households and female heads of households.

Recent Development Trends and Market Conditions

Prior to the recent downturn in the economy, a development trend emphasizing mixed-use development was occurring as a result of the adoption of the Urban Plans. The City recognizes that the 19 West Mixed-Use Districts (MU Overlay Zone) provide the potential for lower construction costs because of economies of scale created and are therefore most suitable for development of housing affordable to very low- and low-income households. The development trend is to adaptively reuse existing structures or redevelop these marginal sites into mixed-use developments. The market conditions appear to be supportive of high-density condominium development as part of a mixed-use development proposal.

Those sites identified in the inventory as having the greatest potential to accommodate housing affordable to lower-income households allow densities of 30 du/acre. Per Government Code Section 65583.2(c)(3)(B) the City's zoning is consistent with 30 du/acre standard for suburban jurisdictions and therefore considered appropriate to accommodate housing for lower-income households.

Availability of Regulatory Incentives in Urban Plans

Density and Intensity of Mixed-Use Development

The Urban Plan provides regulatory incentives in the form of expedited application processing, flexible development standards, and zoning relief from development standards to promote mixed-use development.

For example, the density and intensity of mixed-use development are determined by the maximum floor-area-ratio (max. 1.0 FAR allowed) and vehicle trip generation. The 1.0 FAR and traffic analysis work in concert to ensure that new mixed-use developments, as measured by average daily trip generation, do not exceed the capacity of the circulation system.

Additional, decreased building setbacks and parking supply are also allowed. A 20-foot front setback is required for commercially-zoned property, but only a 10-foot front setback is required in the urban plan areas. Reduced side yard and rear yard setbacks and parking requirements for residential uses are also allowed in the urban plan areas.

While the mixed-use overlay zones provide incentives for redevelopment, the proposed mixed-use projects are intended to be within the development capacity of the General Plan transportation system. Even given the traffic constraints, the 1.0 FAR standard may result in mixed-use development projects at residential densities of up to 30 units per acre.

Reduced Parking Requirements in Overlay Zones

The nonresidential parking rates (i.e. parking rates for retail stores, offices, restaurants, etc.) are identical to the parking requirements of the Zoning Code. There are no reduced nonresidential parking rates in the 19 West Urban Plan.

However, compared to the residential parking rates of the Zoning Code, the 19 West Urban Plan offers reduced parking rates by about 25 percent. For example, a traditional, residentially-zoned property requires 4 parking spaces for a 3-bedroom residence. In the 19 West Urban Plan, only 3 parking spaces are required for a 3-bedroom residence.

It is anticipated that shared parking between the residential uses and commercial uses of a mixed-use development will occur, especially in the evening time when the commercial establishments are closed. Therefore, the shared parking is a justification for the reduced parking rates for the residential units.

The parking requirements of the 19 West Urban Plan are shown below:

PARKING

(1) Vehicle parking is required either on-site or on another lot within a distance deemed acceptable by the Planning Commission. A reduction in the vehicle parking requirements shall be determined as outlined in "City of Costa Mesa Procedure for Determining Shared Parking Requirements." The parking reduction for the mixed-use development project and may be approved in conjunction with the master plan approval.

(2) Parking spaces shall be specifically designated for nonresidential and residential uses by the use of posting, pavement markings, and physical separation. The parking area design may include the use of alternative parking techniques such as mechanized stacked parking systems to satisfy parking requirements, subject to review and approval by the Planning Commission. Parking design shall also consider the use of separate entrances and exits, or a designated lane, for residents, so that residents are not waiting in line behind shoppers or moviegoers. Parking structures shall be architecturally integrated with the project design.

(3) Parking structures shall be screened from view at street level and include architectural detailing, artwork, landscape, or similar visual features to enhance the street facade. Screening of parking structure levels above street grade is encouraged through the use of vines or architectural screening detail that is compatible with the project.

NONRESIDENTIAL PARKING REQUIREMENTS:

1. Parking requirements for commercial or industrial uses shall comply with off-street parking requirements for nonresidential uses in the base zoning district. See Table 13-89, Nonresidential Parking Standards in the Zoning Code.

RESIDENTIAL PARKING REQUIREMENTS:

1. Parking requirements for dwelling units in a mixed-use development shall be applied as follows:

| Dwelling Unit | Tenant Parking Space^(1a) | Guest Parking |
|----------------------|--|----------------------|
| Studio/Loft/Bachelor | 1.0 space | .5 guest |
| 1 Bedroom | 1.5 spaces | .5 guest |
| 2 Bedrooms | 2.0 spaces | .5 guest |
| 3 Bedrooms | 2.5 spaces | .5 guest |

(1a) *Assigned Tenant Parking.* A minimum of 50 percent of the total number of parking spaces required for the dwelling units shall be covered, with no less than 1 covered assigned parking space being provided for each dwelling unit.

Traffic Generation in Overlay Zones to be Comparable to Existing Base Zoning District

Vehicle Trip Generation

Intensity refers to the magnitude of vehicle traffic activity generated by the mixed-use development. Successful mixed-use development requires a critical balance of building area (density) and vehicle traffic (intensity). The 19 West Urban Plan intends to stimulate development that both provides for the critical mass **without exceeding** the development capacity of the General Plan transportation system.

In other words, new development in the overlay zone would need to have comparable traffic generation compared to development allowed in the base zone. For example, for commercially-zoned property in the 19 West Urban Plan area, approximately 390 vehicle trips per day are anticipated for a one-acre property. If this property were developed as a mixed-use project, it is anticipated that the resultant development will also have comparable trip generation of 390 vehicle trips per day. Minor increases in overall trip generation by 10 percent may be considered provided that no significant adverse traffic impacts will result.

The primary objective of new development, redevelopment and adaptive reuse of the properties in the 19 West Urban Plan area is to revitalize the area without exceeding the development capacity of the General Plan transportation system. Independent traffic studies may be required by Transportation Services Division if there is a potential that the proposed Master Plan would adversely affect roadway conditions. It is anticipated that as mixed-use projects develop over time in the plan area, overall vehicle trip generation will actually **decrease** when compared to traditional commercial zones. People living and working at home or meeting their shopping needs on the same property will result in trip savings.

General Plan Conformance

The 19 West Urban Plan is consistent with the following 2000 General Plan circulation policies:

- CIR-1A.8 Encourage the integration of compatible land uses and housing into major development projects to reduce vehicle use.
- CIR-1A.9 Encourage General Plan land uses which generate high traffic volumes to be located near major transportation corridors and public transit facilities to minimize vehicle use, congestion, and delay.
- CIR-1A.16 Maintain balance between land use and circulation systems by phasing new development to levels that can be accommodate by roadways existing or planned to exist at the time of completion of each phase of development.

Mixed-Use Overlay Zoning Appropriate to Accommodate Housing for Lower-Income Households

Government Code Section 655832(c)(3)(A)&(B) requires that the densities of sites identified in the inventory must be sufficient to encourage and facilitate the development of housing affordable to lower-income households. To identify the sites and establish the number of units that can accommodate the City's share of the regional housing need for lower-income households, this element must include an analysis that identifies the mixed-use overlay zone and 30 du per acre density which would encourage and facilitate the development of housing for lower-income households.

Government Code Section 65583.2(c)(3)(B) allows "default" density standards deemed adequate to meet the "appropriate zoning" test. The purpose is to provide a numerical density standard for local governments, resulting in greater certainty in the Housing Element review process. Specifically, in this case, the City has adopted density standards that comply with the population based criteria; therefore, no further analysis is required to establish the adequacy of the density standard.

The Urban Plan provides guidance to property owners and developers for new development and revitalization of the existing commercial and industrial development. It is anticipated that as mixed-use projects develop over time, overall vehicle trip generation will decrease when compared to more traditional commercial or high-density residential zones in the City. High density residential development at least 30 units per acre may occur in these mixed-use overlay districts. However, the purpose of the overlay zones/urban plan documents is to provide a high-density residential development incentive without exceeding the development capacity of the General Plan. In fact, no additional traffic generation is proposed with the Mixed-Use Overlay District, as the General Plan traffic intensities of the base commercial zoning district would apply to proposed development.

Additional properties with redevelopment potential are identified in the SoBECA and 19 West Urban Plan areas. These properties are considered underutilized properties due to the fact that they represent marginal commercial properties with aging structures. Additionally, where there are existing neighborhood retail stores and mini-markets, these uses do not fully realize the potential of the mixed-use overlay zone. The overlay zone would allow more vibrant, large-scale mixed-use development along highly-travelled corridors in the City and therefore better maximize the site's development potential.

Realistic Development Capacity

This element includes a description of the methodology used to estimate the realistic capacity of the underutilized sites. It should be noted that these underutilized sites represent less than 3.5 percent of the sites that could be redeveloped in the urban plan area. For example, the underutilized sites in the 19 West Urban Plan accounts for 3.78 acres of the 106-acre urban plan area.

This element does not estimate the 30 du per acre capacity based on a theoretical maximum buildout allowed by the mixed-use overlay zone; rather, the residential development capacity estimates consider the following:

- All applicable land-use controls and site improvement requirements. The analysis considers the imposition of all specified development standards in the Urban Plans that impact the residential development capacity of the sites identified in the inventory. The City considered existing development trends for mixed-use development, as well as the cumulative impact of standards such as maximum 90 percent lot coverage, 4-story building height, 10 percent open space, parking, and maximum 1.0 FAR.
- Existing Uses: The inventory considers the impact of existing development when calculating realistic development capacity. For example, to demonstrate the unit capacity of underutilized sites, the analysis considers demolition of existing commercial uses, redevelopment of the site into a mixed-use development with a minimum 0.15 commercial FAR (as required by the Urban Plan), and potential redevelopment of the balance of the property into a high-density residential development at 30 du per acre.

The factors that make developing additional residential units feasible within the planning horizon is related to the economic feasibility of the project. Development trends have indicated that viable mixed-use developments require a high-density residential component to support the commercial mix. For example, a one-acre mixed-use project could feature a minimum 6,500 square foot retail space at 0.15 FAR, and 30 dwelling units (1,000 square foot average size unit) at 0.85 FAR, for a total of 1.0 FAR. The adopted Urban Plans allow intensification of these urban plan areas, and these documents describe the development incentives that the City offers to attract and assist developers.

- Small Sites (less than one acre): The estimate of the number of units projected on small sites is considered feasible. To illustrate, the analysis considers development trends on small sites as well as the urban plan policies and development incentives to facilitate such development. For example, the Urban Plan emphasizes lot consolidation to achieve a minimum one-acre project site to take advantage of the development incentives. However, small sites less than one acre

may still be developed in urban plan areas. The zoning standards in the Urban Plans are generous enough to ensure redevelopment feasibility. By expediting the site plan review process and removing the need for variances, the development flexibility allowed in the Urban Plans removes practical development constraints associated with small lot development and therefore encourages developers to produce housing affordable to lower-income households.

Underutilized Sites Analysis

As indicated in underutilized sites inventory of the Housing Element, the City will be relying primarily on non-residentially zoned sites, which allow development of at least 30 dwelling units per acre (i.e. Urban Plan/mixed-use overlay zone areas), to accommodate its share of the regional housing need for lower-income units.

The following analysis demonstrates the development capacity projections for those high density sites are realistic.

First, the City considered and evaluated the implementation of its current mixed-use overlay development standards and on-site improvement requirements (e.g., setbacks, building height, floor-area-ratio, parking and open space requirements), to determine approximate density and unit yields. The Urban Plans have established development standards for mixed-use development, inclusive of high-density residential development, in the mixed-use overlay zones.

For example, for commercially-zoned properties with a mixed-use overlay, the urban plan allows development up to 1.0 FAR. A critical mass of a minimum 0.15 FAR is required for the commercial component, and the balance may be residential units at a density of 30 du/ac. As an example, this analysis used a typical site plan design for a four-story, high-density, mixed-use overlay project on a commercial lot.

Second, the City also reviewed proposed built yields of small and large scale high density projects conceptually approved in the urban plan areas over the past two years. The results of this review revealed that regardless of the site acreage (i.e. less than one-acre sized lots), residential densities as part of a mixed-use development project were proposed at 30 du per acre. This includes development proposals in SoBECA, 19 West, and Mesa West Bluffs Urban Plan areas. Higher density residential development is likely the result of the City's flexible development standards in the mixed-use overlay zone, which have become a development incentive for prospective developers.

Third, the commercial zoning of these underutilized sites offer the greatest development potential for high-density residential development, as part of a mixed-use project. Unlike an industrially-zoned parcel, these underutilized sites are commercial districts (i.e. C2 zone) associated with moderate/high traffic generation. Therefore, the conversion of the traffic capacity of a commercially-zoned parcel to a mixed-use development may lead to a residential density of at least 30 du per acre. This would not be the case with industrially-zoned parcels with lower trip generation potential.

The 19 West Urban Plan would allow mixed-use development projects on these underutilized sites, and these projects may be built-out at greater than 30 dwelling units per acre provided that the development standards are met (minimum commercial FAR, parking requirements, open space, etc.). The City considers these underutilized sites have a realistic development capacity which is made possible by the Urban Plan, and not necessarily by the result of the application of density bonuses pursuant to Government Code Section 65915.

Environmental Constraints and Adequate Infrastructure Capacity

An Initial Study/Mitigated Negative Declaration environmental document was adopted for the Westside Urban Plans in April, 2006. These certified environmental documents indicated that the urban plan sites were generally suitable for future redevelopment and that there was adequate infrastructure capacity. Depending on the specific project site, soils remediation and noise mitigation may be required; however, it was determined that mitigation measures would reduce environmental impacts to below a level of significance.

Development Viability is not Impacted by Environmental Constraints

These underutilized sites in the urban plan areas are considered suitable for residential development relative to environmental conditions or issues.

Following is a summary of the environmental conclusions indicating that:

- There are no known environmental features (e.g., presence of floodplains, protected wetlands, oak tree preserves) that have the potential to impact the development viability of the identified sites.
- Pursuant to the California Environmental Quality Act (CEQA), Mitigated Negative Declarations have been adopted for the SoBECA Urban Plan and Westside Urban Plan. The City completed a programmatic environmental document concluded that the development potential was realistic and feasible provided that appropriate mitigation measures addressing noise, short-term construction impacts, air quality, water quality, and soil remediation be in place.
- Implementation of the proposed project will not result in any significant adverse environmental effects on human beings, either directly or indirectly. The proposed project would create a new Mixed-Use Overlay District establishing specific development regulations and allowable uses through a specified Urban Plan document. The proposed project does not expressly authorize any specific development proposal, as Master Plan approval and project-specific environmental analysis would be required. Furthermore, the proposed project does not propose additional traffic generation for new residential projects or mixed-use development projects.
- The existing traffic generation in the base zoning district would remain in place, and may be converted to residential trips or mixed-use development trips pursuant to an approved Master Plan. The proposed Zoning Code amendment includes requirements for compliance with land use adjacency and compatibility standards to ensure that proposed residential and mixed-use development would not be adversely impacted by surrounding existing nonresidential uses. Therefore, less than significant impacts with regard to this issue are anticipated.
- The mitigation monitoring program sets forth required mitigation measures to minimize any impacts to below a level of significance. Short-term construction impacts and long-term operational impacts of the proposed project are considered less than significant with appropriate mitigation. Short-term, construction-related impacts related to air quality are considered less than significant, and conditions of approval will ensure that construction vehicle emissions/exhaust, fugitive dust, and noise are minimized to the fullest extent possible.
- The proposed urban plans provide recommendations to ensure adequately designed developments that will also incorporate important architectural elements, façade articulation, and massing variation to ensure compatibility of mixed-use development to existing land uses.
- Project-specific environmental analysis, land use compatibility study, and health risk assessment will be completed. Given that proposed project shall be required to comply with the General Plan and Zoning Code (as amended), no adverse cumulative impacts of individual projects would result from implementation of the Mixed-Use Overlay District.

In fact, many of the sites identified in the land inventory may qualify for one of the exemptions pursuant to CEQA (Public Resource Code Sections 21083.3(e), 21159.21, 21159.22, 21159.23, or 21159.24).

- None identified pursuant to Government Code Section 65583.2 are subject to pending litigation on environmental grounds that could impact their availability for development during the planning period.
- Implementation of the urban plan projects would achieve housing element policies or objectives related to providing a diverse housing stock. Environmental benefits of mixed-use development result from the planned siting of affordable infill housing or higher density transit-oriented development accessible to employment and services. Mixed-use development typically involve decreased vehicle miles traveled (VMT) and/or incorporate green building technology in construction.

Adequate Infrastructure Capacity within Urban Plan areas

Government Code Section 65583.2(b)(5) requires a general description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities. This information need not be identified on a site-specific basis.

The environmental documents prepared for the urban plan areas have concluded that there is adequate infrastructure capacity within these underutilized sites, and redevelopment of these infill sites is considered feasible. The infrastructure capacity is considered adequate to accommodate the City's share of the regional housing need.

- Adequate water supply, water delivery, and water treatment facilities. According to Mesa Consolidated Water District (Mesa), no improvements or upgrades will be required to the existing system to serve the project area in the future and the proposed will not negatively impact any current or future facility/expansion plans for the project area.
- Wastewater facilities may require new connections. According to the Orange County Sanitation District (OCSD), proposed residential and mixed-use development in the study area may require additional wastewater system capacity. However, such connections may feasibly be implemented. Project-specific environmental review will be required for each development proposal within the Mixed-Use Overlay District. A sewer capacity study will identify any potentially significant impact of the proposed development on wastewater facilities, and the City will ensure the recommendations are implemented by the Developer. Prior to the issuance of connection permit(s), the applicant shall pay the applicable connection fees.
- Adequate solid waste facilities. The Orange County Integrated Waste Management District (IWMD) owns and operates three active landfills, including the Olinda Alpha Landfill near Brea, the Frank R. Bowerman Landfill near Irvine, and the Prima Deshecha Landfill in San Juan Capistrano. Although waste may be transported to any of the three sites, the Frank R. Bowerman Landfill is the closest facility to the project and is likely to be the solid waste facility most often receiving waste from the project. IWMD indicated that the proposed urban plans could be accommodated within the existing capacity of the landfill, and no mitigation measures would be required. IWMD believes that there are 15 years of available capacity in the landfill.
- Adequate residential trash collection facilities. Costa Mesa Sanitary District (CMSD) is responsible for residential trash collection and transmittal to a recycling facility for recycling and disposal. CMSD is responsible for meeting the Assembly Bill 939 (AB 939) mandate of 50 percent disposal reduction and for preparing AB 939 solid waste planning documents, including the Source Reduction and Recycling Element (SREE), the Household Hazardous Waste Element (HHWE), and the Non-Disposal Facility Element (NDFE). The City has implemented a recycling

program to help ensure that AB 939 requirements are met and reduce construction site waste. The City contracts with several permitted haulers of solid waste that are required to recycle 50 percent of the waste hauled (Ware Disposal, FM Linnes, Federal Disposal, etc.). The ongoing implementation of these programs will further reduce the anticipated waste disposal estimates.

- Adequate electric, gas, and cable services. These private utility providers have confirmed that adequate services can be provided to the urban plan areas.
- Adequate public facilities. The City's libraries and other public facilities can adequately serve the increased demand from residential users.

CONCLUSION

It should be noted that these underutilized sites represent less than 3.5 percent of the sites that could be redeveloped in the urban plan areas. For example, the underutilized sites which may provide 96 low-income units in the 19 West Urban Plan accounts for 3.78 acres of the 106-acre urban plan area (3.5 percent).

As demonstrated in Table "A", an estimated 96 units can be accommodated on sites zoned for mixed-use development and which are considered suitable for affordable housing development. The analysis indicates that there are no significant development, governmental, or environmental constraints to implementing these new housing opportunities.

Exhibit A: Underutilized Site in 19 West Urban Plan (Corresponds to Table A)



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Exhibit B: General Commercial Zoning District in 19 West Urban Plan



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**APPENDIX D:
HOUSING ELEMENT CITIZEN PARTICIPATION
SUMMARY OF COMMENTS AND
RESPONSE TO COMMENTS**

**APPENDIX D
HOUSING ELEMENT CITIZEN PARTICIPATION
SUMMARY OF COMMENTS
AND RESPONSE TO COMMENTS**

| Organization | Comments/Responses |
|---|--|
| Orange County Housing Providers – (OCHP): BIA/OC, MHET, NAIOP, OCAR, SCAA | <p><u>Comment:</u> Avoid adding inclusionary zoning policies/ordinances to Housing Element.</p> <p><u>Response:</u> The City has provided a wide variety of housing programs to achieve the RHNA numbers such as preservation of Bethel Towers, development of Fairview Developmental Center, SRO's and FRO's. Inclusionary housing is not being considered in this Housing Element.</p> |
| Child Care Connections- (CCC) A collaborative of community groups: OC United Way, Children & Families Commission of OC, The Public Law Center, Children's Home Society of CA, Children's Home Society of CA, OC Child Care & Development Planning Council, County of Orange Social Services Agency and the Kennedy Commission | <p><u>Comment:</u> CCC proposed City of Costa Mesa include child care policies as part of local planning policies. Work with housing developers to incorporate, where feasible, child care that serves families of all incomes and children of all ages.</p> <p><u>Language used by City of Anaheim, which CCC suggested City of Costa Mesa use:</u> Housing Quality and Design Strategy 3E: Child Care - [New Strategy] The City understands that finding adequate and convenient child care is critical to maintaining quality of life for many households in Anaheim. The City currently allows child day care centers in residential and commercial zones, subject to a conditional use permit. The City also allows large family day care centers by right. In addition, the City's Zoning Code provides density bonuses and incentives for the inclusion of child care facilities in affordable housing projects. To reduce constraints to and encourage adequate child care facilities, the City will review the Zoning Code and implement appropriate revisions. Objective: Review and Revision of Zoning Code Responsible Party: Planning Source of Funds: General Fund Timeline for Implementation: December 2009</p> <p><u>Response:</u> Proposed new program - The City will continue to provide incentives to incorporate child care centers as part of affordable housing development through the City's density bonus provisions, pursuant to State law.</p> |
| Public Law Center- (PLC) | <p>Also supported Child Care Connections- <u>Comments/Suggestions:</u> Require the consideration of child care in reports, surveys, and studies Require that land use ordinances and planning codes reduce barriers to child care. Require mitigation or incentive measure to encourage developers to plan for child care facilities Provide for governmental assistance for child care facilities development</p> <p><u>Response:</u> Suggestions provided are not housing-related actions or policies and therefore, not appropriate to be included in the Housing Element. Incentives to incorporate child care centers as part of</p> |

| | |
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| | affordable housing development are already incorporated in the City's density bonus provisions, pursuant to State law. |
| <u>Public Law Center</u> | <p>Also supported Costa Mesa Housing Coalition and The Kennedy Commission-</p> <p><u>Comments:</u></p> <ol style="list-style-type: none"> 1. Failure to make the required diligent effort to achieve public participation of all economic segments of the community in development of Housing Element and did not describe this effort in Housing Element. <p><u>Response:</u> Section 5.3 of the Housing Element describes the City's citizen participation efforts. Additional information is also provided as appendices to the Housing Element. Additional outreach efforts and opportunities for public comments have been provided after the release of the Draft Element. As part of the City's response to HCD comments on the Draft Housing Element, these additional efforts are described in the Element.</p> <p><u>Comment:</u></p> <ol style="list-style-type: none"> 2. Flawed Analysis: Double counting with regard to RHNA goals. Mixed-use developments will not provide for a range of affordable or special needs housing, unless they are genuinely mixed-use/mixed income developments. <p><u>Response:</u> As part of the City's response to HCD comments, the City is clarifying the residential sites inventory. See Section 5.7 of the Housing Element.</p> <p><u>Comment:</u></p> <ol style="list-style-type: none"> 3. Lack of Planning: <ul style="list-style-type: none"> • They request policies and programs to address overcrowding conditions reviewed in Housing Element. <p><u>Response:</u> The City addresses overcrowding by expanding affordable housing opportunities, particularly for multi-family housing construction (e.g. Fairview Developmental Center, Urban Plan areas). Such housing would allow families that are doubling up to save on housing costs or families with extended members to obtain separate housing accommodation. In addition, room addition is an eligible activity under the City's housing rehabilitation program if overcrowding is an issue.</p> <p><u>Comment:</u></p> <ul style="list-style-type: none"> • Fairview Developmental Center (FDC)-Condition project to include low and very-low income units, special needs housing, and consideration for needs of the disabled. <p><u>Response:</u> As part of the City's response to HCD comments, a program has been added to the Housing Element to pursue affordable housing on the Fairview Developmental Center.</p> <p><u>Comment:</u></p> <ul style="list-style-type: none"> • In-lieu fees required of developers when appropriate. <p><u>Response:</u> The City cannot impose any in-lieu fees for affordable housing on developers unless an inclusionary housing ordinance is</p> |

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| | <p>adopted. Such an ordinance is not being considered in this Housing Element.</p> <p><u>Comment:</u></p> <ul style="list-style-type: none"> Strengthen density bonuses and other incentives. <p><u>Response:</u> The City's density bonus ordinance complies with State law. In addition, incentives are offered in the Urban Plan areas to encourage housing development.</p> <p><u>Comment:</u></p> <ul style="list-style-type: none"> Readjust scarce RDA set-aside funds for broader application and effectiveness. <p><u>Response:</u> The City's has very limited RDA set-aside funds and therefore must target the uses of these funds in order to be effective. A significant portion of the funds (current balance and anticipated funds) has already been committed to affordable housing projects underway.</p> <p><u>Comment:</u></p> <ul style="list-style-type: none"> Lack of specific goals, policies, programs and sites to encourage and facilitate the development of housing for large families. <p><u>Response:</u> The City works with nonprofit developers (e.g. Habitat for Humanity) to develop affordable housing for lower income large households. In addition, the Urban Plan areas encourage condominiums/townhomes that are more affordable housing options for large households. Rental housing construction is also encouraged to allow families that are doubling up to obtain separate housing arrangements.</p> <p><u>Comment:</u></p> <ul style="list-style-type: none"> Sites identified lack appropriate densities and feasibility to encourage and facilitate affordable housing for lower income households <p><u>Response:</u> As part of the City's response to HCD comments, the residential sites inventory is being revised (see Section 5.7 of the Housing Element). Density at 30 du/ac is considered adequate to facilitate housing for lower income households pursuant to State law. Such density is permitted in two of the Urban Plan areas.</p> |
| <p>The Kennedy Commission (TKC)-</p> | <p><u>Comment:</u></p> <ol style="list-style-type: none"> Citizen Participation- (Same as PLC) TKC requested Stakeholder meeting via June 27, 2007 letter. CMHC- Inadequate and disregard of public input-City should impose in-lieu fees; adopt innovative, more effective incentives for builders to construct affordable housing. <p><u>Response:</u> Section 5.3 of the Housing Element describes the City's citizen participation efforts. Additional information is also provided as appendices to the Housing Element. Additional outreach efforts and opportunities for public comments have been provided after the release of the Draft Element. As part of the City's response to HCD</p> |

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| <p>Costa Mesa Housing Coalition (CMHC)-</p> | <p>comments on the Draft Housing Element, these additional efforts are described in the Element.</p> <p><u>Comment:</u></p> <p>2. Past Performance-None of the past policies demonstrate commitment to produce affordable family rental units. City favors homeownership assistance for Mod. Income and assistance to Lower income through rehab/conversion of motels to SROS and preservation of Senior Housing.</p> <p>The 2000-2005 Housing Element, which was found by the State as being in compliance with State law, emphasized the preservation of existing affordable housing, provision of assistance to lower and moderate income households to achieve homeownership, and incentives for special needs housing. In implementing its housing programs, the City's past performance is consistent with the priority and objectives adopted by the City in the 2000-2005 Housing Element.</p> <p><u>Comment:</u></p> <p>3. Affordable Housing Needs Assessment- lack of large rental housing units. Housing Element lacks specific goals, policies and programs and sites to encourage and facilitate their development.</p> <p><u>Response:</u> The City's sites inventory provides for the development of high-density housing, which is appropriate for rental housing development.</p> <p><u>Comment:</u></p> <p>4. Extremely Low-Income- lacks specific goals, policies and programs to assist and facilitate development of affordable housing in the extremely low-income category. CMHC-Urban Plans do not require the production of low and VL income affordable housing units and states failure to address households with special needs; disabled, single-parent and large family households.</p> <p><u>Response:</u> Discussions on extremely low income households are integrated throughout the document. Table HOU-48 specifies the quantified objectives by income group, including extremely low income households. Housing programs, particularly relating to preservation of at-risk housing and provisions for SRO and FRO units benefit extremely low income households, including special needs households. Urban Plans provide land use policies and development standards of housing to facilitate various types of housing. These plans are not intended to prescribe affordability.</p> <p><u>Comment:</u></p> <p>5. Inventory of Land Suitable for Residential Development- Lack of sites to accommodate housing needs of 642 (RHNA) share of housing units for extremely low, VL & LI households, which require densities of 30u/ac w/policies and programs to develop them. Specific references made to Tables HOU-43, HOU-44 and HOU-45 in Letter dated March 30, 2008.</p> <p><u>Response:</u> As part of the City's response to HCD comments, the City</p> |
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| | <p>is clarifying the residential sites inventory.</p> <p><u>Comment:</u></p> <p>6. CMHC states loss of low income rental units resulting from condo conversions.</p> <p><u>Response:</u> The City's condominium conversion ordinance regulates the conversion of apartments to condominiums. However, given the current conditions in the mortgage lending market, condominium conversion is not expected to significantly impact the rental housing market in the near future.</p> <p><u>Comment:</u></p> <p>7. Zoning Tools to Encourage Affordable Family Housing – The City must provide residentially zoned sites developable “by right” at multifamily densities, which may require rezoning to accommodate lower-income housing needs. Identify and analyze infill and redevelopment opportunity sites for lower income segments.</p> <p><u>Response:</u> As part of the City's response to HCD comments, the City is clarifying the residential sites inventory. Specifically, the City's Urban Plan areas promote a variety of housing options through density increases and flexible development standards. The Housing Element also includes a program to rezone the Fairview Developmental Center site in order to facilitate housing development, including housing for lower income. A program is also included to address the city's review process for affordable housing to remove consideration of density and use during the site plan review process.</p> <p><u>Comment:</u></p> <p>8. Is CM in compliance with SB 1818? TKC questioned the City's proposal to use small boarding house and residential care facilities in response to SB 2. TKC wants City to identify specific zoning for emergency shelters by right. Sites for homeless more appropriate with access to public transportation.</p> <p><u>Response:</u> Section 5.6 Constraints Analysis discusses the City's compliance with SB 1818. As part of the City's response to HCD comments on the Draft Element, the City will elaborate its compliance with SB 2 in Section 5.6 of the Housing Element.</p> |
| <p>Community Housing Resources Inc. (CHRI) Focused on collaborating with local governments to address the critical lack of affordable housing for City residents and employees with developmental disabilities.</p> | <p><u>Comment:</u></p> <p>1. Inventory of land suitable for residential development demonstrates a shortfall of sites appropriate to meet housing needs for 642 extremely and low-income households.</p> <p><u>Response:</u> As part of the City's response to HCD comments, the City is clarifying the residential sites inventory. See Section 5.7 of the Housing Element.</p> <p><u>Comment:</u></p> <p>2. City adoption to universal design elements in building codes needed to eliminate constraints to housing persons with disabilities.</p> |

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| | <p><u><i>Response:</i></u> As part of the response to HCD comments, a new program has been added to the Housing Element to amend the reasonable accommodation ordinance.</p> <p><u><i>Comment:</i></u></p> <p>3. Did not find any units for extremely low income households.</p> <p><u><i>Response:</i></u> Discussions on extremely low income households are integrated throughout the document. Table HOU-48 specifies the quantified objectives by income group, including extremely low income households. Housing programs, particularly relating to preservation of at-risk housing and provisions for SRO and FRO units benefit extremely low income households.</p> |
| USC School of Social Work Graduate Students | <p><u><i>Comment:</i></u></p> <p>1. Inadequate and disregard of public input - Only one meeting in Spanish</p> <p><u><i>Response:</i></u> Upon request, the City will provide Spanish translation at public meetings. No requests were received by the City. Bilingual staff attended all meetings.</p> <p><u><i>Comment:</i></u></p> <p>2. Failure to adequately address RHNA goals –City states scarcity, build-out and costs constraint in allocating land, while approving high-rise residences and miscalculation of units to meet RHNA goals.</p> <p><u><i>Response:</i></u> As part of the City's response to HCD comments, the City is clarifying the residential sites inventory. The City has control over the land use and zoning provisions. However, development applications are determined by market conditions.</p> <p><u><i>Comment:</i></u></p> <p>3. Omission of addressing female-headed households.</p> <p><u><i>Response:</i></u> Housing needs of female-headed households are discussed in the Special Needs section of the Housing Element. (See Section 5.5 of the Housing Element. Specifically the FRO program was designed to address the housing needs of small family and single-parent households.</p> |
| MIKA Community Development Corporation | <p><u><i>Comment:</i></u></p> <p>1. Affordable rental housing for large families.</p> <p><u><i>Response:</i></u> The City strives to balance its housing stock with a range of housing options, including rental and ownership housing.</p> <p><u><i>Comment:</i></u></p> <p>2. Incentive option- to include In-lieu fees</p> <p><u><i>Response:</i></u> In-lieu fee is not considered an incentive to housing development. Typically, it is a fee imposed on the developer in-lieu of providing affordable housing. A jurisdiction cannot impose an in-lieu fee unless an inclusionary housing policy is adopted.</p> |

| Organization | <i>Comments/Responses From (Revised) June 2008 Housing Element</i> |
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| Costa Mesa Housing Coalition (CMHC)- The Kennedy Commission (TKC)- | <p><i>Comment:</i></p> <ol style="list-style-type: none"> 1. City complimented on new Family Residential Occupancy (FRO) designation, which could provide needed affordable housing to low and extremely low income households, especially for single parent households and small families. Nonprofits stated there is a failure to address the needs of large families and for new large family homes. It was suggested that 3 motel rooms be combined to create an apartment for larger families and that the creation of SROs and FROS not be split at 50/50, but rather at 20 percent and 80 percent, respectively. Extended stay motel rooms not considered low income units, as they stated that weekly/monthly rates are comparable to apartment market rate rents. <p><i>Response:</i> The Housing Element has been revised to identify programs and resources available to large families. The number of FROS and SROs presented in the Housing Element is based on an assessment of overall conversion opportunities among the City's motel inventory. The exact split between FROs and SROs will be determined at the time specific projects are identified based on physical configuration of the units proposed and the economic feasibility of the development. The proposed split mentioned in the Housing Element is based on potential income affordability, not by housing type.</p> <p><i>Comment:</i></p> <ol style="list-style-type: none"> 2. Lack of sufficient plans/policies to insure the provision of housing for low income residents. <p><i>Response:</i> This opinion statement is acknowledged for the record. It is important to note that the policies and objectives identified in the Housing Element are based on realistic financial capacity of the City. The proposed Housing Programs do not speculate on the availability of funding resources to provide for certain programs or projects. However, the Housing Element has been revised to include a commitment by the City to pursue additional funding from the State and Federal resources, especially to promote affordable housing in the overlay areas as suggested by the State.</p> <p><i>Comment:</i></p> <ol style="list-style-type: none"> 3. The potential for the 19 West Urban Overlay Project: Even though it may be argued that these sites in the plan may provide for higher density opportunities, these identified sites are not directly correlated with specific programs and policies that could lead to "by right" affordable housing developments to serve as sites for extremely, very low and low-income households. <p><i>Response:</i> This opinion statement is acknowledged for the record. It should be noted, however, that sites within the 19 West Urban Plan area can achieve high density residential development by a master plan review, including affordable housing.</p> |

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| | <p><i>Comment:</i></p> <p>4. Redevelopment set aside funds: Request use of set-aside funds be used solely to increase stock of affordable rental housing in the city. These funds should not be used for rehab loans, grants, or first time home buyer loans. Land acquisition funds should not be used for a Habitat for Humanity project, because such a project provides so few units. Funds should be leveraged with federal and other funds for land acquisition and other support for the construction of affordable multi-family rental units.</p> <p><i>Response:</i> The City has a responsibility to address the needs of all the socioeconomic housing groups in the community based on the City's goals, objectives, projects, programs and resources to create an overall balanced community with a variety of housing types. State Housing Element law mandates the preservation and improvement of the existing affordable housing stock.</p> <p><i>Comment:</i></p> <p>5. Removing governmental constraints in processing and permit procedures: Request affordable housing projects be exempt from all aspects of discretionary review. It should not just be exempt from project density, but also from design and development standards, as long as the affordable housing projects meet City's minimum design and development standards.</p> <p><i>Response:</i> Given the City's land use development patterns compatibility with surrounding uses is an important goal in the community to ensure high quality housing and neighborhoods. As part of this Housing Element, the City has committed to streamlining and improving the entitlement process to ensure that when affordable housing projects occur, they are processed in an expedited manner to the maximum extent feasible.</p> |
| Fred Bockmiller- President/Coral Bay Terrace Condominium Owner's Association- | <p><i>Comment:</i></p> <ul style="list-style-type: none"> Housing Element well prepared and more than adequately addressed the issues it was intended to address. Mr. Bockmiller stated he favors moving toward more home ownership and less rental units. <p><i>Response:</i> The City recognizes the desires of some community members to actively pursue homeownership opportunities.</p> |
| Organization | Comments/Responses From (Revised) July 2008 Housing Element |
| Costa Mesa Housing Coalition (CMHC)- The Kennedy Commission (TKC)- | <p><i>Comments:</i></p> <p>The comments are the same as those listed in Appendix D: Housing Element Citizen Participation Summary of Comments and Response to Comments - (Revised) June 2008 Housing Element.</p> <p><i>Response:</i> Responses are provided in Appendix D: Housing Element Citizen Participation Summary of Comments and Response to Comments - (Revised) June 2008 Housing Element.</p> |